

DECLARATION CUM TERMS AND CONDITIONS

I/we hereby agree to abide by the following terms and conditions:

1. All particulars/information given in the application form are true and complete and no material information has been suppressed/withheld. I/we acknowledge that South Indian Bank Limited ("the bank") shall have no liability for any consequences arising out of any erroneous details provided by me/us. I /We authorize the Bank to carry out such credit checks and at such credit checks and at such time as it may deem necessary. The Bank may sanction this Loan at its sole discretion.
2. WHEREAS at my/our request to extend a 'Fully Secured Loan Against Deposit' (Hereinafter referred as 'FSL (D)') loan facility against the security of deposit/s, repayable with interest more fully described in the application/ Sanction letter.
3. Now in consideration of The South Indian Bank Ltd. having extended or agreed to extend the FSL(D) in the account of Borrower specified as per the sanction letter/ application, I/WE hereby create Lien/charge over the deposit(s) mentioned in the Sanction letter/ application, as security for the due repayment of amount due under the said FSL(D) loan account. The lien/Charge created by me/us over the deposit/s mentioned in the sanction letter / application shall operate as a continuing security for the loan availed and that may be availed in future.
4. The account(s) under the FSL(D) facility shall be operated by me/ us or other persons authorized by me/us from time to time.
 - a) I/WE agree to pay interest on the said FSL(D) account at the rate specified in the Sanction letter/ application . The interest on FSL(D) shall be compounded with monthly rests. I/We understand and confirm that if multiple Deposits with different rate(s) of interest is offered as security, the Deposit with higher rate of interest will be reckoned for the purpose of fixing interest on FSL(D).
 - b) I/We understand that in the event of Deposit(s) against the security of which the above facility has been granted, is prematurely closed before completion of minimum period of 7 days prescribed by RBI, then the above facility shall not be treated as advance against security of deposit and in that event I/We further agree to pay Interest at the rate of MCLR covering/ applicable to the tenor of the loan along with maximum spread of the Bank.
 - c) I/We further understand and agree that in the event of Deposit(s) against the security of which the above facility has been granted, is prematurely closed after 7 days of making such deposit but before completion of 14 days of making such deposit, Interest on the above facility shall be paid at the rate of MCLR covering/ applicable to the tenor of the loan along with maximum spread of the Bank.
 - d) In the event of default in observing any of the sanction terms and conditions, the borrower agrees to pay penal charges at the rate specified in the sanction letter/ application/Annexure/s attached to the Agreement.
 - e) The interest payable by the me/us shall be subject to the changes in interest rates made by Reserve Bank of India from time to time.
 - f) I/WE also agree to pay interest/service charges on the loan amount at the revised rates fixed by the Bank from time to time, notwithstanding the rate of interest /service charges fixed at the time of availing the loan. I/WE shall be fully liable to pay interest/service charge at such enhanced rate fixed by the Bank from time to time.
5. I/We hereby agree that the Bank has got the full power and authority to demand repayment of the entire loan amount, at its own discretion, prior to the due date fixed for repayment.
6. I/WE hereby agree that in the event of premature closure of deposit/s for set off towards the loan dues, the interest rate applicable for the period up to the date of premature closure only may be paid on the deposit/s, irrespective of the higher rate mentioned in the deposits advice/s.
7. I/We hereby declare and agree that the Bank has got the full power and authority to appropriate the deposit/s mentioned in the sanction letter/ application with interest accrued thereon for the repayment of the outstanding balance, including interest/charges etc., on any account whatsoever as on date of maturity of deposit or on the date of demand by Bank, whichever is earlier, without further notice to me/us.
8. I/WE am/are aware that in the event of Bank being restrained by an order of court or otherwise, from appropriating the proceeds of the schedule mentioned deposit/s I/We am/are liable to pay interest not

at the concessional rate stipulated above, but at the maximum lending rate of your Bank as applicable to unsecured advances.]

9. I/WE hereby further undertake that all other incidental expenses, costs/charges that may be recoverable from me/us from me/us from time to time and interest shall be compounded monthly from the due date of payment of deposit/s or date of demand by the Bank, whichever is earlier, till payment is received by the Bank in full.]
10. I/WE agree to keep a margin as specified in the sanction letter/ application and confirm that drawing in FSL(D) account(s) will be regulated in such a manner to ensure that the prescribed margin requirement is met at all times. I/WE hereby authorize the Bank to increase the rate of margin at its discretion from time to time and I/WE hereby agree to remit on demand made by the Bank, the amount required to maintain the stipulated margin. I/WE also agree that failure on my/our part to remit the amount required for complying the margin stipulated, Bank is fully authorized to forthwith demand repayment of entire loan amount as if same is due for payment and to adjust the proceeds of the schedule mentioned deposits to the credit of loan account, without further notice to me/us.]
11. I/WE hereby authorize the Bank to credit the deposit/s mentioned in the Sanction letter/schedule with interest accrued thereon to the loan account, irrespective of whether the same will create a credit balance or not and or to appropriate the proceeds remaining after appropriation to the loan account, in adjustment of other liabilities which may be owing by me/us to the Bank on any other account whatsoever and at any office of the Bank, whether singly or jointly with others and whether as principal or as co-obligant or as guarantor or as surety.]
12. In case of any instruction being issued by me/us to renew the deposit/s during the pendency of the loan and in case the Bank at its sole and absolute discretion allow to renew the loan facility, I/WE hereby agree to Bank holding such renewed deposit/s as security in the same way as the original deposit/s with charge as per the sanction letter/ application.]
13. I/WE am/are personally liable for any balance that may become due to the Bank under the loan account or any account whatsoever from time to time.]
14. I/WE further declare and agree that in the event of my/our requiring the Bank to advance any loan and or to extend financial facility/ies at any time hereafter and the Bank granting such loans and/or financial facility/ies, it is hereby understood and accepted that such facility/ies were extended on the basis of this letter of Lien. Bank may apart from my/our personal liability, hold the outstanding credit balance deposits mentioned in the sanction letter/ application, outstanding credit balance in the deposit account/s including interest accrued thereon as security for repayment of all or any amounts that may be outstanding at any time and from time to time, until this letter is cancelled by the Bank, after I/WE comply with all the requirements as may be required by the Bank.]
15. I/WE hereby declare that the said deposit/s has/have not been encumbered or assigned or pledged elsewhere and is free from all encumbrances. I/WE hereby expressly agree to Bank computing interest on daily debit balance.]
16. Notwithstanding anything to the contrary contained hereinbefore or in any agreement or otherwise, it is specifically agreed that Bank shall always be entitled to have General Lien over/right of set off/net off against the deposit/s mentioned in the sanction letter/ application, credit balance against any of my our liability, whether as borrower or co-obligant or guarantor. The Lien hereby created shall not in any way affect or prejudice Banker's Lien and Bank shall always be entitled to exercise the Lien]
17. I/WE hereby undertake not to call back the deposit/s until my/our liability to the Bank on account of FSL(D) loan in the account of Borrower or any other account with interest accrued thereon in which I/WE am/are personally liable is/are fully discharged.]
18. I/WE agree as a pre-condition of the credit facility granted by the Bank that in case any default is committed in the repayment of the loan/advance or in repayment of interest thereon or any of the agreed instalment of the loan on due date/s, the Bank and/or the Reserve Bank of India will have an unqualified right to disclose or publish my/our name and photograph or the names and photographs of his/her/their company/firm/unit and its directors/ partners/ proprietors as defaulter in such manner and through such medium as the bank or the Reserve Bank of India in their absolute discretion may think fit.]
19. I/WE hereby undertake not to induct a person who is a director on the board of a company which has been identified as a willful defaulter and in case such a person is identified on a later date by the bank or Reserve Bank of India I/We shall remove him/her from the board immediately.]

20. I/WE hereby confirm that I/We have no objection to the bank giving a separate mandate to my/our auditors for issue of certificate regarding diversion/siphoning off funds borrowed from the bank.]
21. I/WE agree as a precondition of the loan/advances given to him/them by the bank, I/We hereby agree and give consent to the disclosure by the Bank of all or any such (a) information and data relating to me/us, (b) the information or data relating to any credit facility availed of/to be availed by me/us and (c) default, if any, committed by me/us in discharge of my/our such obligation as the Bank may deem, appropriate and necessary, to disclose and furnish to Credit Information Bureau (India) Ltd (CIBIL) or any other agency authorised in this behalf by RBI. I/We also declares that the information and data furnished by me/us to the bank are true and correct. I/We undertake that (a) the Credit Information Bureau (India) Ltd. (CIBIL) or any other agency so authorised may use, process the said information and data disclosed by the Bank in the manner as deemed fit by them; and (b) the Credit Information Bureau (India) Ltd. (CIBIL) or any other agency so authorised may furnish for consideration, the proposed information and data or products thereof prepared by them, to any Banks/Financial Institutions and other credit grantors or registered users, as may be specified by Reserve Bank of India in this behalf.]