

Application cum pledge letter for advances against deposits

Place:

Date :

From

.....

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To

The Manager

Indian Bank

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Dear Sir

I/We request you to grant me/us financial assistance by way of loan/overdraft for Rs..... at% p.a. compounded monthly or at such rates including penal rate/s which are stipulated by the Bank from time to time without reference to me/us, which right I/we expressly waive in favour of the Bank.

2. As security for the repayment of outstanding balance of the loan/overdraft including interest, costs, charges etc., I/We hereby create a lien in your favour on the deposit/s standing in my/our name (s) as per memo on the reverse amounting to Rs. (Rupees), which is/are lodged herewith.

3. The Bank is entitled to hold the said deposit/s as security for such outstanding balances. The said deposit/s shall be continuing security even if the overdraft account runs into credit, is reduced or extinguished at any time or from time to time. I/We am/are personally liable for any ultimate balance due in the account from time to time.

4. I/We hereby declare that the said deposit/s has/have not been encumbered/assigned or pledged and are free from all encumbrances.

5. I/We irrevocably authorise you to appropriate the balance in the said deposit account/s for the repayment of the outstanding balance including interest charges etc., of this account or any other account, even before maturity of the deposit/s and interest may be allowed at the rate applicable for prepayment of the deposit/s for the period. In case the Bank receives a request from me/us to renew the Term Deposit Receipt(s), I/We agree to the bank holding the renewed deposit(s) with or without interest accrued thereon, as the case may be, as security in the same way as the original Deposit Receipt(s). Interest accrued on the deposit/s from time to time may be adjusted to the loan/overdraft account.

6. The securities lodged shall, in addition to their remaining as a continuing security for the loan/overdraft now granted, also remain as security for all monies now owing or which shall at any time hereafter be owing to the Bank from me/us in any manner and capacity whatsoever and at any office of

the Bank and surplus proceeds, if any, of the said deposit/s remaining after appropriation to the loan/overdraft account shall be applied by the Bank in adjustment of other liabilities which may be owing due to the Bank by me/us on any other account whatsoever and at any office of the Bank, whether singly or jointly with others and whether as principal or as guarantor.

7. I/We request you to credit the loan amount in my/our SB/CA/OD account No. with you /..... branch.

8. I/We hereby agree as a precondition of the loan/advance given to me/us by the Bank that in case I/We commit default in the repayment of the loan/advances or in the repayment of interest thereon or any of the agreed instalment of the loan on due date/s, the Bank and/or Reserve Bank of India will have an unqualified right to disclose or publish my/our name/s or the name of our company/firm/unit and its directors/partners/proprietor as defaulter in such a manner and through such medium as the Bank/Reserve Bank of India in their absolute discretion may think fit.

9. Purpose of the Loan

Yours faithfully,

Signature

Address

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<i>Deposit Receipt/ A/c No.</i>	<i>Name of the Depositor</i>	<i>Date of TDR / opening the account</i>	<i>Date of Maturity</i>	<i>Period months</i>	<i>Rate of Interest %</i>	<i>Amount / Balance Rs.</i>
1	2	3	4	5	6	7

For Office Use

Signature verified. Lien Noted.

Assistant Manager/Manager/Senior Manager