

To be stamped as per the applicable stamp duty at the place of execution.

OVERDRAFT FACILITY AGREEMENT AGAINST LIEN
ON THE UNITS OF MUTUAL FUNDS

THIS AGREEMENT made at this day of.....,2006 by and between:

Mr/Mrs/Ms _____ aged about _____ years son / daughter / wife of _____ residing at _____ and having PAN _____ (hereinafter referred to as the **"Borrower"** which expression shall, unless it be repugnant to the subject or context thereof, include his heirs, executors, legal representatives, administrators, attorneys) of the **FIRST PART**

AND

AXIS Bank Ltd., a Banking Company incorporated under the Companies Act, 1956 and having its Registered Office at 'Trishul', 3rd Floor, Opposite Samartheshwar Temple, Law Garden, Ellis Bridge, Ahmedabad 380 006, Gujarat and its Central Office at 131, Maker Towers 'F', Cuffe Parade, Colaba, Mumbai-400 hereinafter referred to as the **"Bank"** (which expression shall unless it be repugnant to the context or meaning thereof shall mean and include its successors and assigns) of the **SECOND PART**.

WHEREAS

1. The Borrower is desirous of availing financial assistance by way of an Overdraft facility against the pledge of Units of SEBI approved schemes of Mutual Funds and has approached the Bank for such financial assistance by opening a running account styled as an _____ Account (hereinafter referred to as the "Account") against which the Borrower could draw up to the sanctioned limit.
2. The Bank, vide its Sanction Letter No. _____ dated _____ (hereinafter referred to as the "Sanction Letter") has agreed to grant the financial assistance in the manner aforesaid upto a limit of Rs. _____ (Rupees _____ only) (hereinafter referred to as the "Loan") to the Borrower on the terms and conditions hereinafter appearing.

NOW IT IS HEREBY AGREED AND DECLARED AS FOLLOWS:-

1. That the Bank shall open the said Account in terms of the said Sanction Letter at the Bank's _____ Branch as from the execution of these presents whose limit is fixed at Rs. _____ (Rupees _____ only) and the said

Account will be operated from time to time by the Borrower or with the prior approval by the Bank by any person authorised in this behalf by the Borrower.

2. That the Borrower hereby agrees to pay interest at ____% p.a., compounded monthly/quarterly/yearly on the amount outstanding under the Overdraft account facility and the rate of interest is subject to change, as notified by the Bank from time to time. That the Borrower shall pay the interest accruing at the end of every calendar month/quarter/year together with incidental charges failing which the said sum shall be debited to the said Account and treated as amount drawn by the Borrower and the same shall be treated as Principal on which interest shall run at ___% p.a. the rate of interest may, however, be raised by the Bank at any time by giving due notice to the Borrower of its intention to do so.
3. That the Borrower shall, on or before _____ so long as the Account is in force, show a credit balance of at least _____ and maintain such credit balance for at least fifteen days thereafter and the Bank may allow the Account to be continued to remain in force for such period as the Bank may deem fit.
4. The Borrower shall secure to the satisfaction of the Bank the Loan amount together with all interest, liquidated damages, costs, charges and expenses and all other moneys whatsoever due and payable by the Borrower to the Bank (“Dues”), by creating the following securities in favour of the Bank:
 - (a) The Borrower shall pledge in favour of the Bank Mutual Fund units and other securities held by the Borrower and as described in the Schedule I hereto (hereinafter referred to as the “Securities”) and shall ensure that a charge has duly been noted by the Fund House/ Registrar concerned with the issuance of the Mutual Fund units. The Borrower shall also execute a Power of Attorney in the form and substance as prescribed by the Bank, in respect of the said security; or any other security as may be mutually agreed upon.
5. The Borrower may be permitted by the Bank to cancel the pledge of the said Securities (in whole or in part) and to replace them with any fresh Mutual Fund Units and/or any other securities. Such cancellation of the existing securities and the creation of new Securities shall be by way of exchange of Letters duly signed by the Borrower and the Bank and the Schedule shall automatically stand amended to this effect. However, such creation of new or additional security shall be at the sole discretion of the Bank.
6. If at any time the value of the said Securities falls so as to create a deficiency in the margin requirement specified by the Bank from time to time or if there is an excess over the Overdraft Facility limit, the Borrower shall within three days of notice from the Bank, deposit with the Bank additional security in the form of cash or such other securities which may be acceptable to Bank, failing which the Bank may

at its sole discretion submit for repurchase, transfer or dispose off or realize any or all of the said securities without being liable for any loss or damage or diminution in value sustained thereby and such sale shall not be contested by us and shall be binding on us.

7. In case of pledge of any sort of securities by a third party as security for this Loan, then the Borrower shall ensure that all documents, contracts, deeds, etc are executed by that Third Party so as to create a valid pledge on those securities.
8. The Bank shall at its absolute discretion stop, at any time without assigning any reasons, further operation/s or allow further operation of the account by the Borrower and the Borrower shall not be entitled to object to any extent regarding stoppage of operations on any ground whatsoever including on the ground of availability of the expired limit hereinabove mentioned or that may be fixed hereafter.
9. Without prejudice to the right of the Bank to demand immediate repayment of the Loan amount in terms of Clause 15 hereinbelow, if any interest remains unpaid on the date it is due and payable as mentioned above, then the unpaid interest will be compounded monthly/quarterly/yearly or at any other period as advised by the Bank from time to time.
10. Any default by the Borrower in payment of dues or of any of the terms and conditions herein, would entail an additional interest charge of _____% on the entire loan, leviable from the date of the default without prejudice to the Bank's other rights available as per this Agreement and on default/ failure of the Borrower to pay the same. Provided also that the obligation to pay additional interest shall not entitle the Borrower to set up a defense that no event of default as mentioned hereunder has occurred.
11. The Borrower will execute necessary Promissory Notes and such further documents, forms and papers as the Bank may in its discretion from time to time require and in the form prescribed by the Bank. The Borrower agrees to execute in favour of the Bank or any nominee of the Bank transfer deeds/documents etc. as and when requested by the Bank and shall ensure that the validity period of transfer deeds/documents is kept alive at all times. The Bank, at any time can dispose off or transfer the said Securities in its own name or to any third parties without any notice to the Borrower. The Borrower hereby appoints the Bank as its Power of Attorney holder to do all or any of the actions stated above including submission for repurchase, sale, transfer or otherwise dispose off the Securities in any manner as the Bank deems fit through its designated and/or authorised officers. This Power of Attorney shall be irrevocable till the time all the dues owing to the Bank are paid off.

12. The Borrower shall utilise the said Overdraft Facility only for the purpose of as mentioned in its proposal to the Bank. The Borrower further warrants that the Overdraft Facility shall not be used for speculative or anti-social business of any sort.
13. The Borrower agrees that any accretion to the said Securities by way of bonus / preference / rights issue and other benefits from time to time accruing in respect of the said Securities or any part thereof shall also be deemed to be pledged with Bank and the Parties hereto agree that there is no requirement of signing any additional supplementary pledge in this respect. In case of bonus / preference / rights issue pertaining to the said Securities, it is responsibility of the Borrower to pay the amount required to purchase/subscribe for the additional Mutual Fund Units. The Bank may, at its sole discretion, decide to purchase/subscribe for these additional Mutual Fund Units from out of its own funds. Upon such purchase/subscription by the Bank, the Borrower on demand by the Bank shall, without any demur or delay, reimburse the entire amount paid by the Bank for purchasing/subscribing for these additional Mutual Fund Units along with the interest at the rate mentioned in para 2 herein accrued till the date of reimbursement by the Borrower. It is understood by both Parties that the Bank is under no obligation to subscribe for/purchase these additional Mutual Fund Units.
14. The said Securities and the Promissory Note would be a continuing security to the Bank for all monies which are due from the Borrower, it is declared that the said Securities are free from any charge and the parties undertake to keep them as such during the time the said Securities are pledged with the Bank.
15. It is agreed by the Borrower that he shall not seek duplicates of the said Securities from the concerned Mutual Fund Units Issuer/Fund House/Registrar or stop the transfer thereof to the name of the Bank or its nominees.
16. The Bank may, in its own discretion without assigning reasons and upon written notice mailed or delivered to the Borrower cancel the Overdraft facility herein granted and demand repayment thereof. Delivery of such notification by the Bank shall constitute sufficient notice of such cancellation, and thereupon the Loan all interest and other moneys due and payable thereon, shall become due and payable by the Borrower immediately to the Bank.
17. The rights, powers and remedies given to the Bank by this Agreement shall be in addition to all rights powers and remedies given to the Bank by virtue of any other security, statute, or rule of law. The Bank may exercise a banker's lien or right of set-off with respect to any obligation of the Borrower to the Bank in the same manner as if the obligation were unsecured and shall have a lien on all property/credit balance in any other account of the Borrower or securities of the Borrower in the Bank's possession or custody whether for safe-keeping or

otherwise. If upon demand by the Bank, the balance outstanding in the Loan account is not repaid within the prescribed time, such credit balance in any account may be adjusted towards dues under the Loan account. In case of any deficit, the deficit amount may be recovered by the Bank from the Borrower.

18. Any forbearance or failure or delay by the Bank in exercising any right, power or remedy hereunder shall not be deemed to be waiver of such right, power or remedy, and any single or partial exercise of 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 until such right, power or remedy is specifically waived by an instrument in writing executed by the Bank.
19. The Borrower agrees to accept the statement of account sent by the Bank or by any other authorised representative of the Bank as conclusive proof of the correctness of any sum claimed to be due from him.
20. Any notice or demand hereunder shall be in writing, signed by any of the Bank's officers and may be made by leaving the same or sending it through the post addressed to the Borrower at the address specified above or the address last known to the Bank; and a notice or demand so given or made shall be deemed to be given or made on the day it was so left or, as the case may be, two business days following that on which it was so posted, and shall be effectual notwithstanding that the same may be returned undelivered and notwithstanding the Borrower's change of address .
21. If any provision of this Agreement is illegal, invalid or unenforceable for any reason, it will be severed from the remaining provisions which will remain unaffected.

22. Authorisation to Disclose

The Borrower understands that as a pre condition, relating to grant of the loans/advances/other non fund based credit facilities to the Borrower and furnishing of Guarantee in relations thereto, the Bank requires consent of the borrower of the credit facilities granted/ to be granted by the Bank for the disclosure by the Bank of information relating to the Borrower, any credit facilities availed of / to be availed, by the Borrower/Guarantor/s, obligations as assumed by the Borrower in relation thereto and default, if any, committed in discharge thereof.

Accordingly, the Borrower hereby agrees and gives consent for the disclose by the Bank of all or any such:

1. Information and data relating to borrower;

2. Information or data relating to Borrower's obligations in any credit facility granted/ to be granted by the Bank; and
3. default, if any committed by Borrower in discharge of the Borrower's obligation as the Bank may deem appropriate and necessary to disclose and furnish to Credit Information Bureau (India) Ltd. and any other agency authorized in this behalf by RBI.

The Borrower declares that the information and data furnished by the Borrower to the Bank are true and correct.

The Borrower undertakes that –

1. The Credit Information Bureau (India) Ltd. and any other agency so authorized may use, process the said information and data disclosed by the Bank in the manner as deemed fit by them and
2. The Credit Information Bureau (India) Ltd. and other agency so authorized 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 the Reserve Bank of India in this behalf.

IN WITNESS WHEREOF, this Agreement has been executed by the Parties hereto on the date and at the place mentioned hereinabove.

Signature:	Signature:
Name of the Borrower	On behalf of AXIS BANK LTD. Name of the official Designation

(NOT TO BE ATTESTED)

SCHEDULE I

List of Securities to be pledged

Please list the details of the securities being pledged.

Signature:	Signature:
Name of the Borrower	On behalf of AXIS BANK LTD. Name of the official Designation

SAMPLE