

Demand Loan against Deposit

CBHFL is one of the few companies which can take public deposits in the form of Fixed Deposit. Depositors can avail loan against their deposits after 3 (three) months of the date of deposit subject to compliance to certain parameters. Granting of loan will be at the sole discretion of the Company.

- **Loan Amount** – 'Maximum Loan' amount can be 75% of the amount deposited (Principal amount) by Depositor. Loan amount should not be less than Rs.3,500/-.
- **Rate of Interest (RoI) of Loan** – Interest on loan will be 2% above the interest rate payable on such Deposit (s). Interest will be calculated on monthly rest.
Example: If a Depositor has 2 deposits @ 7.30% & @ 7.50% and takes loan, interest will be charged @ 9.30% & @ 9.50% respectively.
- **Tenor of Loan** – 'Maximum tenor' of loan must not exceed the maturity date of the deposit (s). In other words, tenor of the 'Demand loan' has to be fixed in a way so that the loan tenor expires on or before maturity date of the deposit.
- **Repayment / Closure of Loan** – Loan amount together with interest on loan needs to be repaid in one lump sum or in instalments prior to due date by the Depositor. In case of Non-

cumulative deposit (where interest is payable monthly/quarterly), 'Interest payment' will be adjusted against the Interest accrual in 'Demand Loan'.

Entire outstanding (Principal + Interest) of 'Demand Loan' will be settled on maturity of the deposit, if loan remains unpaid without referring to the Depositor (s).

- In case of pre-maturity payment of deposit, the rate of interest on 'Demand loan' will not be changed'. However, applicable penalty on pre-mature withdrawal of deposit amount will be levied as per rule.
- **Lien of Fixed Deposit** -- General lien would be marked on the original fixed deposit receipt. On payment of entire dues outstanding, 'Lien' will be removed / lifted.
- **Documentation** – Depositor (s) will make an application for 'Demand loan' in plain paper. Application along with the Original FDR (Fixed Deposit Receipt) duly discharged by depositor (s) needs to be sent to RO/HO for loan processing. Following points need to be kept in mind while making application for 'Demand loan':
 - ✓ All depositors should sign on the loan application form and signature should be same as available in the application form of deposit.
 - ✓ FDR Number against which 'Demand loan' is requested is specified on Application form.
 - ✓ Loan Amount & Loan Tenor are mentioned on Application.
 - ✓ Demand Promissory Note (DPN) and Letter of Lien duly executed with revenue stamp of requisite value are submitted.
 - ✓ 'Letter of waiver' duly signed by Depositor (s) is submitted.

