



Terms And Conditions

DIGITAL/ELECTRONIC AGREEMENT FOR OVERDRAFT FACILITY

THIS DIGITAL/ELECTRONIC AGREEMENT FOR OVERDRAFT FACILITY (this "**AGREEMENT**") is processing and finally executed at Karachi on @LoanDate;

BY AND BETWEEN

1. **Bank Alfalah limited**, a banking company incorporated under the laws of the Islamic Republic Pakistan and having its registered office at B.A. Building, I.I Chundrigar Road, Karachi (hereinafter referred to as the "**Bank**")

AND

2. @Name S/o, W/o, D/o @Father Adults, resident of Pakistan holding Computerized National Identity Card Number @CNIC, resident of @Address. (Hereinafter referred to as the "**Customer**")

(The "Bank" and the "Customer" individually referred to as the "**Party**" and collectively to as the "**Parties**").

WHEREAS

The Bank is a Banking Company provide banking and finance facilities to its Customers.

The Customer is an Accountholder/Customer of the Bank and Customer wish to avail the Overdraft Facility and Customer has filed an Overdraft Facility Application Form which shall form an integral part of this Agreement and requested the Bank to provide Overdraft Finance Facility ("**Facility**") on the need-based requirements of the Customer.

The Bank has agreed to approve the Facility to the Customer from time to time (until the Bank in its absolute discretion decides otherwise), on the mark-up basis.

NOW THEREFORE, THIS AGREEMENT WITNESSETH AND IT IS HEREBY AGREED:

1. Overdraft Finance Facility

1.1 During the currency of this Agreement, the Overdraft Finance Facility (Facility) Facility shall be available to Customer and Customer shall avail the benefits of the Facility from time to time as per financial requirements of the Customer and until the Bank on it's an absolute discretion decide otherwise the Facility at any one time up to an aggregate sum of @LoanAmount Rupees.

2. Assets

The Facility provided under this Agreement shall be provided through purchase by the Bank of certain assets, as circumstances may require, for the purpose of the Customer's business or otherwise (hereinafter referred to as "**Assets**" and described in Schedule I) which the Customer offers to sell from time to time and the Bank agrees to purchase from time to time.

3. Re-Purchase and Payments

3.1 Immediately upon payment of the price by the Bank on every sale by the Customer to the Bank mentioned in paragraph 2 of this Agreement, the Customer shall re-purchase and shall be deemed to have re-purchased the same Assets for a sum equal to the price paid by the Bank plus a mark-up determined in accordance with paragraph 4 of this Agreement ("**Purchase Price**"). Such re-purchase by the Customer shall be deemed to have been effected immediately after the corresponding sale to the Bank and on the basis that the price of Assets repurchased by the Customer shall be paid by the Customer to the Bank when demanded by the Bank in any case during the currency of this Agreement or any extension therefore if granted by the Bank together with mark-up accrued. The Customer shall hereby agree that on every 30th day of month, the due mark-up shall be debited automatically from the Customer's account. In case of amount is insufficient in the account and/or Customer fails to pay the due mark-up on the every 30th day of month, the Customer account shall go into the days past due (DPD), which will come under the default of its obligations. After 30 DPD Purchase Price/markup may be recovered by the Bank by debiting such one or more account(s) of the Customer with the Bank as may be in credit.

4. Calculation of Mark-up

The mark-up payable on the re-purchase of Assets by the Customer shall be calculated at 0.96 paisas per Rs. 1000 (Rupees one thousand) or part thereof per Diem on the amount of the price remaining to be paid by the Customer to the Bank and shall be determined on a daily products basis for the period during which the purchase price or any part thereof remains un-paid except that, in the event the State Bank of Pakistan/ the Bank raises the maximum rate of mark-up chargeable for provision of Facility, the Bank reserves the right, upon seven (7) working days written notice to the Customer, to correspondingly increase the aforesaid rate of mark-up payable on the repurchase of assets by the Customer and such revised rate of markup shall be applied to compute, on a daily product basis as aforesaid, commencing from the date of expiry of such seven (7) days notice period, the amount of the purchase price remaining to be paid by the Customer to the Bank of the unexpired term of this Agreement.

5. Opening of account / usage of existing account for maintaining Facility

The Customer hereby requests the Bank to open in the name of the Customer an account on the basis of mark-up on price for providing the Facility or use existing account of the Customer for credit and debit of the Facility as aforesaid. Except where funds lying to the credit of any such account are withdrawn or deposited from such account by or at the instance of the Customer shall be deemed to represent payments by the / to the Bank towards the price for Assets offered to and purchased by the Bank or re purchased by the Customer as the case may be in accordance with paragraph 2 of this Agreement. In the case of the account as aforesaid, the limit up-to which the Customer may draw funds shall remain available notwithstanding deposits made therein or the account ceasing to have a debit balance and the Customer shall be at liberty to draw funds or deposit fund there from as may be permitted under or pursuant to this Agreement. The operation of such account shall be governed by the terms and conditions for governing account.

6. Conditions for default of payment

If the Customer (i) fails to pay within the stipulated period any amount which the Bank has called upon the Customer to pay under any provisions of this Agreement and/or (ii) commits and default of any provisions of this Agreement or of any other document executed between the Bank and the Customer in connection with Facility provided by the Bank to the Customer hereunder and/or if any representation or warranty is found to be incorrect and /or if an event occurs which in the sole opinion of the Bank, would affect the credit worthiness of the Customer, the Bank shall become entitled in every such case to demand immediate payment in executed pursuant hereto notwithstanding anything to the contrary contained in this Agreement where the Bank shall demand payment of the outstanding purchase price and other amounts due from the Customer hereunder, the Customer shall be required to pay the same within fifteen (15) working days to the Bank.

6.1. In case, if the Customer is employee of corporate entity which has Salary disbursement arrangement with Bank, then Bank may mark lien on his/her account and adjust/settle the payment of the outstanding purchase price and other amounts due from the Customer from the his/her account/provident fund/gratuity or as the case may be.

6.2. In case of the Customer is under employment of the private company /government organization or working in any other legal entity, then the Bank may request from the Customer for a letter required from his/her employer, who will undertake therein that upon the Bank's notice, the employer shall pay the outstanding purchase price and other amounts immediately due from the Customer, if the Customer, if the Employer/private company/government organization/any other legal entity fails to inform the Bank regarding the leaving/resignation/termination of his/her employee.

6.3 Customer hereby agree that any payment/amount credited in the Account of Customer, initially shall be adjusted/settled by the Bank for outstanding payments/dues of the Customer under the Facility

7. Negative Covenants

Until the entire amount of the purchase price and all other charges, costs and expenses due and payable in pursuance of this Agreement shall have been paid in full to the Bank to the satisfaction of the Bank, the Customer shall:

- a) Pay to the Bank the purchase price as per provision of the Facility or on demand and pay every other sum due from the Customer hereunder within fifteen (15) working days after receiving written demand of the Bank unless a longer period is specified in this Agreement for the payment of such sum;
- b) Accept the sums owing to the Bank hereunder as may be certified by duly authorized officer of the Bank as conclusive and waive any right to challenge the same exception manifest error;
- c) Be liable to pay all the costs, expenses, charges, commissions, fess, court fees, stamp duties, legal counsel (internal or other) fees/expenses and other governmental fees that the bank has incurred or may incur at execution hereof and at execution of any other documents and shall pay all court costs and expenses (including legal fees) incurred in recovery of outstanding amounts payable by the customer hereunder.
- d) Non payment of entire markup as accrued payable by the Customer during the Facility as required to be paid by the Customer by way of crediting into the Account on the due date(s) or as determined by the Bank in accordance with the

terms and conditions for repayment of Facility.

8. Payment of taxes, duties or other impositions

If the Bank is liable or becomes liable at any time to pay any taxes, levies, duties or other impositions in respect of any purchase price or in respect of the Facility provided by the Bank to Customer hereunder or in respect of any amount outstanding against the Customer hereunder, the Customer shall also pay or reimburse the same. The Customer shall also pay or reimburse to the Bank excise duty or any other levies or taxes which are or shall be paid or payable from time to time by the Bank in respect of the Facility provided by the Bank pursuant to this Agreement. In case the Bank has actually paid any such tax, levy, duty or imposition, the Customer shall reimburse to the Bank the amount so paid by the Bank within three (3) working days after receiving written demand from the Bank. The Bank shall have the right to debit any account of the Customer with the Bank with any amount payable by the Customer to the Bank hereunder.

9. Payment of Commission Fees and Other Costs/Expenses/Charges

The Customer shall make the following payments to the Bank:

- i) All commissions, fees and charges as are required to be paid by the Customer under the Bank's offer sanction letter addressed to the Customer or as may be otherwise specified by the Bank;
 - ii) All costs, charges, fees and expenses that the Bank may from time to time incur in connection with the preparation and execution of this Agreement and any other documents required to be executed by the Customer or the Bank hereunder, or incurred in connection with performance under this Agreement, or cost incurred on account of confirmation of genuineness of the Customer's property, if any incurred for effecting recoveries (including cost of litigation) or paid to any legal or technical consultant or advisor (internal or otherwise) or any other person or persons for securing and opinion or report or for furnishing guarantees or indemnities or for rendering any other services under or in connection with this Agreement or in connection with provision of any security and/or other amounts payable by the Customer which the Bank may require all of which costs, charges, fees and expenses shall be paid at such time or times and in such manner as the Bank may determine.
- Notwithstanding any request or direction of Customer accompanying or in respect of any payment made, the Bank shall be entitled to appropriate any payment made by the Customer first towards costs, fees expenses and other charges in that order and then towards any outstanding purchase price. The Bank shall also have the right to debit such costs, fees, expenses and other charges to any other account of the Customer maintained with the Bank that has a credit balance.

10. Premature Cancellation or Reduction of Facility by Bank

Notwithstanding anything contained hereinabove it is hereby agreed that the Bank shall at all times be at liberty and shall have the right to cancel or reduce the Facility provided or to be provided under this Agreement or to require that such Facility be converted into any other Facility or be documented on another basis without assigning any reason. The Bank shall also have the right to demand immediate payment of the purchase price without assigning any reason therefore. The Customer undertakes in such events to pay the same within fifteen (15) working days of receiving such demand.

11. In case of leaving/resignation/termination of the Customer from his/her employment, the Facility shall be stopped automatically without any further notice to the Customer and the Bank shall also have the right to reduce, settle, adjust or terminate the Facility (as the case may be) without assigning any reason

12. Customer has to pay at least 1.3% of principal and entire markup amount at the end of each month. If customer fails to pay 2.6% of principal and entire markup for 2 months (60 days) Bank reserves the right to cancel/reduce/ and block the Overdraft facility extended to the customer.

13. Preconditions to the disbursement of Facility

As a precondition to the disbursement of any Facility hereunder, the Customer shall execute a Letter of Hypothecation in favor of the Bank whereby the Customer shall hypothecate to the Bank such household articles and assets as listed in schedule "A" of the Letter of Hypothecation.

14. Warranties

The Customer hereby represents and warrants to the Bank that:

- a) It has full legal capacity and power: i) To own its property and assets and carry on its business as it is being conducted; ii) To enter into exercise its right and perform its obligation under this Agreement;
- b) All conditions and things required by applicable law to be fulfilled or done in order to enable it lawfully to enter into and exercise its right and perform its obligation under, this Agreement have been fulfilled.
- c) This Agreement constitutes its valid and legally binding obligation, enforceable against it in accordance with its terms;
- d) Neither its execution of, nor its exercise of, its rights or performance of its obligation under, this Agreement: i) Contravenes any applicable law to which the Customer or any of its properties and businesses is subject. ii) Contravenes any undertaking or obligation on the Customer or any of its properties; iii) Requires the Customer to make any payment or delivery in respect of any financial indebtedness before the scheduled date of that payment or delivery; or iv) Causes any limitation on the power of the Customer to incur financial indebtedness to be exceeded;
- a) The Customer has disclosed to the Bank in writing all existing liabilities and commitments and all other or any other matter which is likely to have a material adverse effect on it;
- b) All information furnished by the Customer to the Bank is accurate and that it has not omitted or concealed any material facts which would render such information incorrect, misleading or inaccurate; and
- c) To the best of the customer's knowledge no extraordinary circumstances and no change of law has occurred which would make impossible for it to carry on its business or fulfill its obligations under this Agreement.
- d) Customer shall adjust the Facility once in calendar year

15. Additional Reimbursements by Customer

15.1 If as a result of change in regulatory circumstances or in the interpretation or application of any applicable law, rule, regulation, directive, circular, request or requirement (whether or not having the force of law) of any competent governmental or other authority (including the State Bank of Pakistan), the cost to the Bank of extending the Facility hereunder is increased or the amount payable or the effective return to the Bank under this Agreement is reduced, then and in each case, (i) the Bank shall promptly upon becoming aware thereof notify the Customer; and (ii) the Customer shall pay to the Bank, within three (3) working days after receiving a written demand from the Bank, the amount which the Bank specifies in a certificate, which certificate(s) shall be conclusive and binding on the Customer to be required to compensate the Bank for such increased cost or reduction in effective return. Such demand may be made by the Bank such number of times as it may deem fit.

15.2 If as a result of any regulation, directive, circular or requirement of any competent governmental or other authority (including the State Bank of Pakistan), the Bank is required to ensure that the Customer makes certain payments, then in such case the Customer shall make payments as may be demanded by the Bank in the manner and 15.3 payments as may be demanded by the Bank in the manner and timeframe specified in clause 13.1 (ii) herein.

16. Notices

16.1 Any notice or demand by the Bank hereunder may be served on the Customer if such notice or demand is delivered at the address of the Customer stated above or at such other address as may be given by the Customer to the Bank or SMS at registered mobile Number/email of the Customer for this purpose., such notice or demand shall be deemed to have been served, when actually delivered. Where a notice or demand or dispatched by post, SMS or email, such notice or demand shall be deemed to have been served within seven (7) working days after posting. Where a notice or demand is delivered, such notice or demand shall be deemed to have been served within three (3) working days,– where a notice or demand is transmitted, such notice or demand shall be deemed to have been served on the Customer when the transmitting machine confirms that the message has passed. Notwithstanding anything contained above in this clause, if any notice or demand is returned undelivered on account of refusal of the customer to accept the same, or on account of non-availability of the Customer at the address as aforesaid or on account of the Customer having left such address, any change in registered mobile Number/email of the Customer, in every one of such cases, such notice or demands shall be deemed to have been served on the Customer without the necessity of any further action on the part of the Bank.

17. Indemnity

17.1 The Customer hereby undertakes to indemnify the Bank and to hold the Bank harmless against all or any losses, costs, damages, expenses, claims and demands whatsoever which the Bank may sustain by reason of the Bank having purchased from or sold to the Customer or otherwise dealt with any Assets for the purpose of providing Finance to the Customer in accordance with this Agreement.

18. Assignment

18.1 That the terms "Banks" and "Customer" wherever the context so permits shall be and include the successor-in-interest and assigns of the Bank and the legal heirs and personal representative of the Customer, where applicable.

18.2 The rights and obligations of the Customer contained in this Agreement are purely personal in nature and shall not be assigned, sub-delegated or otherwise transferred to any other person not being a party to this Agreement unless the prior written consent of the Bank has been obtained.

19. Terms and Notice of Termination of Agreement

19.1 This Agreement established between Bank and Customer and shall remain in force until termination by either Party on a 14 (fourteen) days prior written notice. Except for when the customer resigns/terminated/retired as per clause 11 on the agreement. In the event of the Customer fails to observe the terms of this Agreement or commits a breach hereof; the Bank shall be entitled, without notice and without being prove actual breach, to terminate this agreement immediately.

20. Right to Review the Customer's Credit Risk Profile

The Bank reserves the right to review the Customer's Credit Risk Profile as and when the Customer reaches the age of 60 and the Bank shall also have the right to reduce, settle, adjust or terminate the Facility (as the case may be) without assigning any reason.

21. Severability

21.1 Each of the provisions of this Agreement is severable and distinct from the others and it at any time one or more such provisions is or becomes invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions hereof shall not in any way be affected or impaired thereby.

22. Headings

22.1 In this Agreement, the headings to the clauses are for convenience only and have no legal effect.

23. Waiver

23.1 No Waiver of any right(s) under this Agreement whether expresses or implied shall be effective unless the same is reduced to writing and signed by both the Parties hereto. For the avoidance of doubt, the remedies provided under this Agreement are cumulative and not exclusive of any rights or remedies provided at law.

24. Consequences of Non-Payment

24.1 The Bank shall at any time be entitled to send its representative or agent without further notice to enter the premises of the Customer in any event of non-payment by the Customer or any and all outstanding Finance(s) due under this Agreement and recover the Assets re-purchased under this Agreement by the Customer.

24.2 The Bank shall also at all times be entitle without any further notice to effect sale of any Assets so recovered by its representative from the Customer through private sales agreement or public auction for such amount(s) and at such price(s) as the Bank at its sole and absolute discretion finds satisfactory.

24.3 If you fail to pay the facility as per defined frequency due to any reason, bank /BAFL-IBG will be left with no option but to report your overdue / default position in Electronic Credit Information Bureau (eCIB) of State Bank of Pakistan as per applicable rules and regulations and any negative history (i.e. overdue/default)) will be reflected you in eCIB Bureau Report for two years or the period specified by SBP even after the settlement of the overdue/default amount

25. Disputes

25.1 This Agreement shall be governed by and construed in accordance with the laws of Islamic Republic of Pakistan and Courts in Karachi, Lahore, and Rawalpindi / Islamabad shall have non-exclusive jurisdiction to entertain all disputes arising out of or relating to this Agreement.

Dear Sir,

1. In consideration of your having entered into the Digital/Electronic Agreement for Overdraft Facility (hereinafter referred to as the “**Agreement**”) with the undersigned Mr./Mrs./Ms. @Name S/o, W/o, D/o @Father, at present residing at @Address, I do hereby hypothecate to you, by way of first exclusive charge. All such moveable assets, items and goods specified in the schedule ‘A’ and the documents of title related and all sale proceeds thereof (hereinafter referred to as the “**Hypothecates Goods**”) by the way counting security for payment/repayments and discharged to you of all amount payable costs, service charges, commissions and expenses payable by or to you or otherwise incurred by you along with liquidated damages equal to 100% of the amounts due and payable to you in the event of default in my/our obligations.
2. I will not remove or cause or permit the hypothecated goods to be removed from the premises where they currently exist or otherwise charge or encumber any of the hypothecated goods or any part thereof not to any act whereby your security shall in any way be prejudicially affected.
3. I shall be at liberty from time to time to substitute the hypothecated goods with other similar goods/ items of at least equal value provided prior notice of the same shall be given to you before such substitution.
4. I shall at all times during the continuance of this security and for so long as any moneys shall remain due and owing to you by virtue of the Agreement, insure and keep insured the Hypothecated Goods to the full extent of their value against fire, theft and such other risks, as you may require from time with such insurance company as may be approved by you in your name or/with your name as loss payee, and shall duly and punctually pay all premium payable in respect thereof at least one week before the same shall become due payable and shall hand over to you the policies of insurance and receipts for all premium paid in respect thereof.
5. In the event of loss, destruction or damage to the Hypothecated Goods and in the event of your not receiving the amount payable pursuant to the insurance maintained in respect of the Hypothecated Goods for any reason whatsoever, I shall be bound forthwith to pay the entire amount or the balance due in respect of such loss, destruction or damage or demand.
6. I hereby declare that all Hypothecated Goods are free from any prior lien, charged or encumbrances (except from those that may have been created in your favor) whether legal or equitable, and that I shall not create another or further charge/ pledge / hypothecation / lien (other than in your favor) in respect of such Hypothecated Goods except with your written approval.
7. I shall make and furnish to you such statements and returns in respect of the cost and market value of the Hypothecated Goods and such fully detailed description thereof and produce such evidence in support thereof and you may from the time require. I ensure that the value of the Hypothecated Goods do not fall at any time below the amount of outstanding liabilities owed by me to you under this Agreement plus a margin of 30%
8. You, your agents and nominees shall be entitled at any times and without notice to enter upon any place where the Hypothecated Goods may be stored and inspect and take charge of the same or any part thereof and without prejudice to the generality of the foregoing if :-
 - a) Fail to maintain such margin as aforesaid;
 - b) Fail or neglect to pay you on demand the balance due;
 - c) Commit breach of any of the terms contained hereby or in the said Agreement
 - d) Commit any act of insolvency within the meaning or any law for the time being in force or become or be adjudged bankrupt or insolvent.
9. In the event that I am/are in default of my obligation hereunder or under this Agreement, or have failed to pay on demand all or any sums due to you or upon the occurrence of any circumstances in your opinion endangering your security, you shall have free any unfettered right at my/our risk and expenses to all or any part of the Hypothecated Goods, the Bank shall be entitled at my risk and expenses to take possession and/or appoint receivers of any of the Hypothecated Goods and to see or realized by public or private contract or otherwise dispose off all or any part of Hypothecated Goods without intervention of the Court and without prejudice to the Bank's rights and remedies of suit against me. The exercise of any right or power in connection with the Hypothecated Goods or otherwise shall not prevent the exercise of another powers in connection with Hypothecated Goods or otherwise hereunder or conferred upon by law.
10. I agree to pay at least 1.3% of principal amount and entire markup amount each month. If I fail to pay 2.6% of the principal & entire markup amount in 2 months (60 days), I authorize the Bank to block/cancel/reduce my limit preventing me to utilize the overdraft amount any further

11. I agree to accept your statement of account derived from your books and signed/certified by any your officers without the production of any voucher, documents, papers or evidence, as conclusive proof of all amounts owed to you.
12. That nothing herein shall be prejudiced by or operate to prejudice your rights or remedies in respect of any present or future security, guarantee, obligation or decree for any of my/our indebtedness or liability to you.
13. This Agreement shall be binding on my/our successors-in-interest and assigns (jointly and severally) as well as their respective legal heirs, legal representatives, executors and administrators.
14. I undertake to pay and bear all costs, expenses, duties, takes, charges including stamp duty and registration charge in respect of his letter of hypothecation on your demand.
15. The letter of hypothecation shall operate as continuing security for all indebtedness or liabilities owing by me/us notwithstanding the existence of credit balance in my/our account held with the Bank.

Schedule ‘A’

Description of Hypothecate Goods

All consumer durables, personal effects, furniture and fixtures, including but not limited to, Air-Conditioners(s), refrigerators(s), washing machine(s), television(s), VCR(s), Oven(s), kitchen and home appliances, kept/stored at my residence at @Address.

The Customer hereby irrevocably confirms, acknowledges and agrees that by clicking the ‘I Accept/ I agree ’ option and/or inserting Transaction Pin/performing biometric/ inserting one time password/one time-pin , ("OTP" sent to the Customer through SMS on Customer's registered Mobile phone number), the Customer shall be legally bound by the terms and conditions contained herein and such digital mode of acceptance shall be recorded through electronic/digital means and shall be stored in electronic/digital form. Such record shall be deemed to be the mode of proof of entries in Banker's books as described in the Bankers Books Evidence Act 1891 without any qualifications and the said acceptance of the Customer shall be legally enforceable

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