MOST IMPORTANT TERMS AND CONDITIONS FOR ASPIRING BUSINESS LOAN - SECURED TERM LOAN

Bandhan Bank

1. Borrower(s) Information:

Borrower(s) name		Branch name & ID	
PAN/CIN/LLP IN/ Reg. No. AADHAAR		UDYAM Reg. No.	
Loan ID		Loan product	
CIF		Registered address	
Contact number		Branch address	

Co-borrower(s) name			
PAN Aadhaar			
Loan ID			
CIF			
Contact number			
Branch name & ID			
UDYAM Reg. No.			
Loan product			
Registered address			
Branch address			

2. Simplified fact sheet on pricing:

Date: D D M M Y Y Y Y   Lender's Name: **Bandhan Bank Ltd.**

A. LOAN/FACILITY DETAILS		
Type of loan		
Sanctioned loan amount		
No. of tranches/EMIs		
Validity period (to make drawals)		
Purpose		
End use of Loan	The amount of the loan shall be utilised strictly for the purpose detailed in the Sanction Letter and in the manner prescribed. The Borrower(s) shall not divert any part of the loan amount towards wrongful activities or speculative purposes.	
Rate of Interest	Fixed	
	Floating	The Rate of interest applicable to your loan account shall be linked to External Benchmark Rate (EBR), i.e. RBI Policy Repo Rate. Accordingly for first disbursement, presently, the rate of interest applicable to your account shall be External Benchmark Rate (_____%) + Spread (_____%) p.a., i.e., effective ROI being _____% p.a., payable at monthly rests
DSRA		
Asset cover		

B. CHARGES AND FEES APPLICABLE	
Processing fees	The Bank shall charge a non-refundable processing fee up to _____% of the loan amount plus taxes as applicable.
Late payment/overdue charges/penal charges	
Additional charges	
Loan renewal charges	A) Renewal Charges: _____ % of _________ plus applicable tax B) In case of enhancement of limit _____% of __________ plus applicable tax
Stamp duties	Actual, as per state laws
Cheque/EMI bouncing charges	A) ₹ ____________ (Rupees ______________________________ only) for ABG MAX Term Loan B) ₹ ____________ (Rupees ______________________________ only) for ABG Term Loan for every bounce plus applicable tax

C. REPAYMENT SCHEDULE	
Tenure of the Loan	
Repayment	Due date (monthly/quarterly): D D M M Y Y Y Y Repayment frequency: ________________________ Instalment amount: ________________________ Repayment schedule: as provided below
Moratorium	
Interest frequency	Monthly/Quarterly/Weekly/Yearly
Interest calculation method (daily)	Daily balance outstanding x effective rate of interest x 1/365
Due date of interest	
Mode of repayment	
Period during which Prepayment cannot be made	
Margin	
ECS/SI	
Insurance	
Other	

Repayment Schedule:

Instalment No.	Outstanding principal (in ₹)	Principal (in ₹)	Interest (in ₹)	Instalment (in ₹)

*In case any of the instalment date falls in a holiday of the Bank, the last instalment will change.

D. Details of Security, Secured Assets and Other Charges

Particulars	Descriptions	Ranking of charge (Exclusive/Pari Passu First/ Pari Passu Second)
Details of primary security/ Assets		
Detailed of hypothecated assets		
Detailed of mortgaged assets		
Additional security/collateral		
Details of guarantee(s)		
Document retrieval charges		

E. Contact Details under Grievance Redressal System

1.	Details of the relationship manager	Name: Contact No.: Email ID: Office Address:
2.	Details of area manager	Name: Contact No.: Email ID: Office Address:
3.	Details of cluster head	Name: Contact No.: Email ID: Office Address:
4.	Details of P.N.O.	Name: Contact No.: Email ID: Office Address:

I/We have been explained all the above points as well as all the points in Annexure A, B and C and accept and receive the same.

____

Signature of borrower(s)

Part 1 (Interest rate and fees/charges)

1	Loan proposal/account no.		Type of loan:	
2	Sanctioned loan amount (in ₹):			
3	Disbursal schedule: (i) Disbursement in stages or 100% upfront (ii) If it is stage wise, mention the clause of loan agreement having relevant details		(i) 100% upfront (ii) NA	
4	Loan tenor (in months):			
5	Instalment details:			

Type of instalment (frequency)	Number of EPIs	EPI* (in ₹)	Commencement of repayment, post sanction* of loan (in days)
EPI (monthly)			

6	Rate of interest (%):	Interest type: Fixed
7	Additional information in case of floating rate of interest:	NA

Reference benchmark	Benchmark rate (%) (B)	Spread (%) (S)	Final rate (%) R = (B) + (S)	Reset periodicity (months)		Impact of change in the reference benchmark (for 25 bps change in 'R', change in)	
				B	S	EPI (in ₹)	No. of EPIs
NA	NA	NA	NA	NA	NA	NA	NA

8	Fees/charges				
		Payable to Bandhan Bank (A)		Payable to third party through Bandhan Bank (B)	
		One-time/ recurring	Amount with GST (in ₹)	One-time/ recurring	Amount with GST (in ₹)
(I)	Processing fees	One-time			
(II)	Insurance charges (optional)			One-time	
(III)	Stamp duty	One-time			
(IV)	Any other (please specify)				

9	Annual percentage rate (APR) (%):	
10	Details of contingent charges (in ₹ or %, as applicable):	
(I)	Penal charges, if any, in case of delayed payment	2% per month on outstanding EMI
(II)	Other penal charges, if any	NA
(III)	Foreclosure charges, if applicable	NA
(IV)	Charges for switching of loan from floating to fixed rate and vice versa	Not applicable
(V)	Any other charges	Not applicable
	Loan processing fee	2% of sanctioned loan amount + applicable tax
	EMI Bouncing Charges	SI/ECS/NACH return (Insufficient funds) ₹300 per instance + applicable taxes
	Late payment/overdue charges	2% per month on outstanding EMI
	Stamp duty	Actual, as per state laws

This KFS shall have a validity period of 3 working days.
(*) May vary depending upon the final disbursement date.

Part 2 (Other qualitative information)

<table>
<tr><td>1</td><td colspan="2">Clause of loan agreement relating to engagement of recovery agents</td><td colspan="2">If the amount due i.e. EMI is not paid by due date, the customer shall be sent reminders for payment of any outstanding on his loan account, by post, fax, call, email, SMS messaging and/or through third parties appointed for collection purpose to remind, follow-up and collect dues. Any third party so appointed, shall adhere to the Indian Banks Association's (IBA) code of conduct on debt collection.</td></tr>
<tr><td>2</td><td colspan="2">Clause of loan agreement which details grievance redressal mechanism</td><td colspan="2">Customer Service: For any service related issue, borrower(s) can get in touch with the Bank by:
- walking in to the nearest branch of the Bank or
- calling Customer Help Line number: 1800-258-8181(toll free),
- writing an e-mail to customercare@bandhanbank.com or
- contacting Customer Grievance Cell at our head office (details on helpline numbers and grievance cell available on www.bandhan.bank.in)
(Refer agreement point no. 2.12)</td></tr>
<tr><td>3a.</td><td colspan="2">Phone number and email id of the Nodal Grievance Redressal Officer</td><td colspan="2">Phone no: 033-6826 5302
(Available from 9:15 AM to 5:45 PM, excluding holidays)
E-mail Id: grievanceredressalmanager@bandhanbank.com</td></tr>
<tr><td>3b.</td><td colspan="2">Phone number and email id of the Principal Nodal Officer</td><td colspan="2">Phone no: 033-6826 5301
(Available from 9:15 AM to 5:45 PM, excluding holidays)
E-mail Id: pno@bandhanbank.com</td></tr>
<tr><td>4</td><td colspan="2">Whether the loan is, or in future maybe, subject to transfer to other REs or securitisation (Yes/ No)</td><td colspan="2">Yes</td></tr>
<tr><td>5</td><td colspan="4">In case of lending under collaborative lending arrangements (e.g., co-lending/outsourcing), following additional details may be furnished:</td></tr>
<tr><td colspan="2">Name of the originating RE, along with its funding proportion</td><td colspan="2">Name of the partner RE along with its proportion of funding</td><td>Blended rate of interest</td></tr>
<tr><td colspan="2">NA</td><td colspan="2">NA</td><td>NA</td></tr>
<tr><td>6</td><td colspan="4">In case of digital loans, following specific disclosures may be furnished:</td></tr>
<tr><td colspan="3">(i) Cooling off/look-up period, in terms of RE's board approved policy, during which borrower shall not be charged any penalty on prepayment of loan</td><td colspan="2">NA</td></tr>
<tr><td colspan="3">(ii) Details of LSP acting as recovery agent and authorised to approach the borrower</td><td colspan="2">NA</td></tr>
</table>

Date of KFS generation-

Purpose for which ABG can be availed: The loan will be sanctioned for the purchase of raw materials, purchase of finished goods, trading enhancement, purchase of machinery, tools and equipments, assets creation for subsequent income generation and overall business growth of the enterprise.

Processing fee: The Bank shall charge a non-refundable processing fee up to 2% of the loan amount plus taxes as applicable.

Rate of interest: Interest on the loan will be charged at the fixed rate of interest (detailed ROI for specific case as mentioned in the sanction letter). Conversion of fixed rate to floating rate of interest will not be permissible at any time during the loan tenor.

Penal charges: In the event of a default or delay in monthly payment of EMI or any irregularity in the account, the Bank reserves the right to levy a penal charge of 2% per month on outstanding EMI.

Foreclosure charges: Nil

Schedule of other charges-

Loan processing fee	2% of sanctioned loan amount + applicable taxes
Rate of interest	As decided by the Bank from time to time
EMI bounce charge	EMI Bouncing Charges: SI/ECS/NACH return (Insufficient funds) ₹300 per instance + applicable taxes
Late payment/overdue charges	2% per month on outstanding EMI
Stamp duty	Actual, as per state laws
EMI repayment account swapping charges	₹500 per request + applicable taxes

Bandhan Bank retains the rights to alter any charges or fees from time to time or introduce any new charge or fee, as it may deem appropriate, with due intimation to the customer.

Repayment: The loan is to be repaid in Equated Monthly Instalments (EMI) over the tenor of the loan. The repayment instalment commences from a date specified in the sanction letter. The liability to the bank will be extinguished only when the outstanding in the loan account becomes nil, on payment of residual amount, if any.

Insurance: Availing life insurance policy is not mandatory. The insurance charges mentioned in the clause 8(iv) is the suggestive one time premium from the insurance company having tie-up with Bandhan Bank.

Utilisation or end use of the loan: The amount of the loan shall be utilised strictly for the purpose detailed in the sanction letter and in the manner prescribed. The borrower shall not divert any part of the loan amount towards wrongful activities or speculative purposes.

Disbursement of the loan: Disbursement amount will be credited directly into the borrower's current account with Bandhan Bank or in any other bank account furnished by the customer as prescribed in the Bank policy.

In the event of default: If the amount due i.e., EMI is not paid by due date, the borrower shall be sent reminders for payment of any outstanding on his/her loan account, by post, fax, call, email, SMS and/or through third parties appointed for collection purpose to remind, follow-up and collect dues. Any third party so appointed shall adhere to the Indian Banks Association's (IBA) code of conduct on debt collection. Notwithstanding what is stated herein, it shall be the liability of the customer to ensure that the EMIs are regularly paid on the due dates.

Bandhan Bank: Is authorised to disclose any information relating to the loan to any existing/future Credit Bureau approved by Government of India and RBI or any such government agencies without any notice to the borrower. Bandhan Bank is also authorised to make inquiries with any credit bureau or any other bank if required. To avoid adverse impact on the credit history, it is advised that the customer should ensure timely payment of the amount due on the loan amount.

Customer Service: For any service related issue, customer can get in touch with Bandhan Bank by:

- walking in to our nearest Bandhan Bank Branch.

- calling Customer Help Line Number: 1800-258-8181 (Toll Free),

Sr. No.	Parameter	Details
1	Sanctioned loan amount (in ₹) (Sl no. 2 of the KFS template – Part 1)	
2	Loan tenor (in years/months/days) (Sl no. 4 of the KFS template – Part 1)	
a)	No. of instalments for payment of principal, in case of non-equated periodic loans	NA
b.i)	Type of EPI	Monthly
b.ii)	Amount of each EPI* (in ₹)	
b.iii)	No. of EPIs (e.g., no. of EMIs in case of monthly instalments) (Sl no. 5 of the KFS template – Part 1)	
c)	No. of instalments for payment of capitalised interest, if any	NA
d)	Commencement of repayments, post sanction* (in days) (Sl no. 5 of the KFS template – Part 1)	
3	Interest rate type (fixed or floating or hybrid) (Sl no. 6 of the KFS template – Part 1)	Fixed
4	Rate of interest (Sl no. 6 of the KFS template – Part 1)	
5	Total interest amount to be charged during the entire tenor of the loan as per the rate prevailing on sanction date* (in ₹)	
6	Fee/charges payable (in ₹)	
a)	Payable to the Bank (Sl no. 8A of the KFS template-Part 1)	
b)	Payable to third-party routed through the Bank (Sl no. 8B of the KFS template – Part 1)	
7	Net disbursed amount (1-6) (in ₹)	
8	Total amount to be paid by the borrower (sum of 1 and 5) (in ₹)	
9	Annual percentage rate (APR)- Effective annualised interest rate (in percentage) (Sl no. 9 of the KFS template-Part 1)	
10	Schedule of disbursement as per terms and conditions:	Given below
11	Due date of payment of instalment and interest*	

*In case there is a difference in repayment amount calculated from the total of instalments given under the detailed repayment schedule mentioned under 2b) vis-à-vis the amount of (Interest charges) mentioned under (8) is due to rounding off the instalment amount of under the detailed repayment schedule.

Instalment no.	Due date	Opening principal (in ₹)	Instalment amount (in ₹)	Principal (in ₹)	Interest (in ₹)	Outstanding principal (in ₹)
1						

Bandhan Bank

Language	Declaration of Borrower and/or Co-Borrower	Signature of Borrower	Signature of Co-Borrower
English	I/We have been read out and explained all the terms, conditions and clauses mentioned in the KFS in a language I/we understand. I/We have signed and acknowledged the KFS after fully understanding all the terms, conditions and clauses.		
Hindi	मुझे/हमें केएफएस में उल्लिखित सभी नियमों और शर्तों, खंडों को मुझे/हमें ज्ञात भाषा में पढ़ा और समझाया गया है और मैंने/हमने उन सभी नियमों और शर्तों, खंडों को समझने के बाद केएफएस पर हस्ताक्षर किए हैं और उन्हें स्वीकार किया है।		
Marathi	मला/आम्हाला समजणाऱ्या भाषेत KFS मध्ये नमूद केलेल्या सर्व अटी, शर्ती व कलमे मला/आम्हाला वाचून दाखवण्यात आलेली आहेत आणि समजावून सांगण्यात आलेली आहेत. मी/आम्ही सर्व अटी, शर्ती व कलमे पूर्णतः समजल्यानंतर KFS वर स्वाक्षरी केलेली आहे व ते अभिस्वीकृत केलेले आहे.		
Gujarati	હું/અમે જે ભાષા જાણું છું જાણીએ છીએ તે ભાષામાં, મને/અમને, કેએફએસમાં જણાવાયેલા નિયમો, શરતો અને કલમો વાંચી સંભળાવવામાં આવ્યાં છે. મેં/અમે તે તમામ નિયમો, શરતો અને કલમો પૂરેપૂરાં સમજ્યાં છે અને તે પછી કેએફએસ પર હસ્તાક્ષર કર્યા છે, સ્વીકાર કર્યો છે.		
Bengali	আমার / আমাদের পরিচিত ভাষায় KFS-এ উল্লিখিত সমস্ত নিয়ম ও শর্তাবলী, ধারাগুলি আমাকে / আমাদের পড়ে শোনানো হয়েছে এবং ব্যাখা করা হয়েছে এবং আমি / আমরা সমস্ত শর্তাবলী, ধারাগুলি বোঝার পরে KFS-এ স্বাক্ষর করেছি এবং স্বীকার করেছি।		
Kannada	ನನಗೆ / ನಮಗೆ KFS ನಲ್ಲಿ ಉಲ್ಲೇಖಿಸಲಾದ ಎಲ್ಲಾ ನಿಯಮಗಳು, ಷರತ್ತುಗಳು ಮತ್ತು ಕಲಂಗಳನ್ನು ನನಗೆ/ನಮಗೆ ತಿಳಿದಿರುವ ಭಾಷೆಯಲ್ಲಿ ಓದಿ ಮತ್ತು ವಿವರಿಸಲಾಗಿದೆ. ನಾನು / ನಾವು ಎಲ್ಲಾ ನಿಯಮಗಳು ಮತ್ತು ಷರತ್ತುಗಳು, ಕಲಂಗಳನ್ನು ಅರ್ಥಮಾಡಿಕೊಂಡ ನಂತರ KFS ಗೆ ಸಹಿ ಮಾಡಿದ್ದೇವೆ ಮತ್ತು ಅಂಗೀಕರಿಸಿದ್ದೇವೆ.		
Punjabi	ਮੈਨੂੰ/ਸਾਨੂੰ ਮੈਨੂੰ/ਸਾਨੂੰ ਸਮਝ ਆਉਣ ਵਾਲੀ ਭਾਸਾ ਵਿੱਚ KFS ਵਿੱਚ ਦੱਸੇ ਗਏ ਸਾਰੇ ਨਿਯਮਾਂ, ਸਰਤਾਂ ਅਤੇ, ਧਾਰਾਵਾਂ ਨੂੰ ਪੜ੍ਹ ਕੇ ਦੱਸਿਆ ਅਤੇ ਸਮਝਾਇਆ ਗਿਆ ਹੈ। ਮੈਂ/ਅਸੀਂ ਸਾਰੇ ਨਿਯਮਾਂ, ਸਰਤਾਂ ਅਤੇ, ਧਾਰਾਵਾਂ ਨੂੰ ਪੂਰੀ ਤਰ੍ਹਾਂ ਸਮਝਣ ਤੋਂ ਬਾਅਦ KFS 'ਤੇ ਹਸਤਾਖਰ ਕੀਤੇ ਹਨ ਅਤੇ ਇਨ੍ਹਾਂ ਨੂੰ ਸਵੀਕਾਰ ਕੀਤਾ ਹੈ।		
Odia	ମୁଁ/ଆମେ ବୁଝିପାରୁଥିବା ଭାଷାରେ କେଏଫ୍ଏସ୍ ରେ ଉଲ୍ଲେଖିତ ସମସ୍ତ ସର୍ତ୍ତାବଳୀ, ନିୟମାବଳୀ ଏବଂ ଧାରାକୁ ମୋତେ/ଆମକୁ ବ୍ୟାଖ୍ୟା କରାଯାଇଛି ଏବଂ ବୁଝାଯାଇଛି । ମୁଁ/ଆମେ ସମସ୍ତ ସର୍ତ୍ତାବଳୀ, ନିୟମାବଳୀ ଏବଂ ଧାରାକୁ ସମ୍ପୂର୍ଣ୍ଣ ଭାବେ ବୁଝିସାରିବା ପରେ କେଏଫ୍ଏସ୍ ରେ ସ୍ୱାକ୍ଷର କରିବା ସହିତ ଏହାକୁ ସ୍ୱୀକାର ମଧ୍ୟ କରିଛି/ଛୁ ।		
Telugu	నేను/మేము KFSలో పేర్కొన్న అన్ని నిబంధనలు మరియు షరతులు, నిబంధనలను నాకు/మాకు తెలిసిన భాషలో చదివి వివరించాము మరియు నేను/మేము అన్ని నిబంధనలు మరియు షరతులు, క్లాజులను అర్థం చేసుకున్న తర్వాత KFSపై సంతకం చేసి, అంగీకరించాము.		
Malayalam	എനിക്ക് / ഞങ്ങൾക്ക് അറിയാവുന്ന ഭാഷയിൽ KFS -ൽ പരാമർശിച്ചിരിക്കുന്ന എല്ലാ നിബന്ധനകളും വ്യവസ്ഥകളും ക്ലോസുക ളും ഞാൻ / ഞങ്ങൾ വായിക്കുകയും വിശദീകരിക്കുകയും ചെയ്തിട്ടുണ്ട്,		
Tamil	எனக்கு/எங்களுக்குத் தெரிந்த மொழியில் KFS-ல் குறிப்பிடப்பட்டுள்ள அனைத்து விதிமுறைகள்-நிபந்தனைகள், உட்பிரிவுகள் ஆகியவை எனக்கு/எங்களுக்கு படித்து விளக்கப்பட் டுள்ளது. அனைத்து விதிமுறைகள் & நிபந்தனைகள், உட்பிரிவுகள் ஆகியவற்றை முழுமையாகப் புரிந்து கொண்ட பின்பு, நான்/நாங்கள் KFS-ல் கையெழுத்திட்டு ஏற்றுக் கொண்டுள்ளேன் / கொண்டுள்ளோம்.		
Assamese	মই / আমি বুজি পোৱা ভাষা এটাত কে.এফ.এছ.-ত উল্লেখ কৰা সকলো চৰ্তাৱলী, নিয়মাৱলী আৰু ধাৰাবোৰ মোক / আমাক পঢ়ি শুনোৱা আৰু বুজাই দিয়া হৈছে। মই / আমি সকলো চৰ্তাৱলী, নিয়মাৱলী আৰু ধাৰা সম্পূৰ্ণভাৱে বুজি পোৱাৰ পিছত কে.এফ.এছ.-ত স্বাক্ষৰ কৰিছোঁ আৰু স্বীকাৰ কৰিছো।		
Konkani	KFS मदले सगले नेम, अटी आनी कलमां म्हाका/आमकां समजता अशा भाशेंत म्हाका/आमकां वाचून दाखयला आनी समजायला. सगले नेम, अटी आनी कलमां पुराय तरेन समजल्या उपरांत हांवें/आमी KFS चेर हस्ताक्षर केला आनी स्विकारला.		
Urdu	مجھے/ہمیں KFS میں مذکور تمام شرائط وضوابط اور شقوں کو اس زبان میں پڑھ کر بتا دیا گیا اور سمجھا دیا گیا ہے جسے میں/ہم سمجھتے ہیں۔ میں/ہم نے تمام شرائط وضوابط اور شقوں کو مکمل طور پر سمجھنے کے بعد KFS پر دستخط کیے ہیں اور اسے تسلیم کیا ہے۔		

Loan proposal/account no.:___________________________________ **Bank copy**

I/We hereby confirm that the contents including all the terms, conditions and clauses mentioned in the Key Fact Statement (KFS) have been read out and explained to me/us, in a language known to me/us. I/We voluntarily accept, sign and acknowledge the KFS after having understood all the terms, conditions and clauses mentioned therein.

I/We hereby accept and agree to abide by all the terms, conditions and clauses contained in the KFS.

I/We further declare and confirm that a duly filled copy of the KFS, along with all other loan documents and appendices, has been handed over to me/us.

_______________________________________ _______________________________________

Signature of the Applicant: Signature of Co-applicant:

Date:

Place: ______________________

(Tear along the line) .... ✂ ....

KFS Acknowledgement

Loan proposal/account no.:___________________________________ **Customer copy**

I/We hereby confirm that the contents including all the terms, conditions and clauses mentioned in the Key Fact Statement (KFS) have been read out and explained to me/us, in a language known to me/us. I/We voluntarily accept, sign and acknowledge the KFS after having understood all the terms, conditions and clauses mentioned therein.

I/We hereby accept and agree to abide by all the terms, conditions and clauses contained in the KFS.

I/We further declare and confirm that a duly filled copy of the KFS, along with all other loan documents and appendices, has been handed over to me/us.

_______________________________________ _______________________________________

Signature of the borrower: Signature of co-borrower(s):

Date:

Place: ______________________

Loan proposal/account no.:___________________________________ **Bank copy**

I/We hereby confirm that the contents including all the terms, conditions and clauses mentioned in the Key Fact Statement (KFS) have been read out and explained to me/us, in a language known to me/us. I/We voluntarily accept, sign and acknowledge the KFS after having understood all the terms, conditions and clauses mentioned therein.

I/We hereby accept and agree to abide by all the terms, conditions and clauses contained in the KFS.

I/We further declare and confirm that a duly filled copy of the KFS, along with all other loan documents and appendices, has been handed over to me/us.

_______________________________________ _______________________________________

Signature of the Applicant: Signature of Co-applicant:

Date:

Place: _______________________

(Tear along the line) ....

KFS Acknowledgement

Loan proposal/account no.:___________________________________ **Customer copy**

I/We hereby confirm that the contents including all the terms, conditions and clauses mentioned in the Key Fact Statement (KFS) have been read out and explained to me/us, in a language known to me/us. I/We voluntarily accept, sign and acknowledge the KFS after having understood all the terms, conditions and clauses mentioned therein.

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I/We further declare and confirm that a duly filled copy of the KFS, along with all other loan documents and appendices, has been handed over to me/us.

_______________________________________ _______________________________________

Signature of the borrower: Signature of co-borrower(s):

Date:

Place: _______________________

The Circular on the Prudential Framework for Resolution of Stressed Assets requires the lenders to recognise incipient stress in borrower's accounts, immediately on default, by classifying them as special mention accounts (SMA). The basis for classification of SMA categories shall be as follows:

Loans other than revolving facilities	
SMA Sub-categories	Basis for classification - Principal or interest payment or any other amount wholly or partly overdue
SMA-0	Up to 30 days
SMA-1	More than 30 days and up to 60 days
SMA-2	More than 60 days and up to 90 days

Non Performing Assets (NPA):

a) Subject to exemptions from classification of assets as Non Performing granted under any regulatory and statutory guidelines issued from time to time, Non Performing Asset (NPA) is a loan or an advance where;

- if the account remains 'Out of Order', in respect of an Overdraft/Cash Credit (OD/CC);
- the bill remains overdue for a period of more than 90 days in the case of bills purchased and discounted;
- the amount of liquidity facility remains outstanding for more than 90 days, in respect of a securitisation transaction undertaken in terms of the Reserve Bank of India (Securitisation of Standard Assets) Directions, 2021;
- in respect of derivative transactions, the overdue receivables representing positive mark-to-market value of a derivative contract, if these remain unpaid for a period of 90 days from the specified due date for payment;
- Accounts with Temporary Deficiencies as defined under the RBI Master Circular on Income Recognition and Asset Classification may also be classified as NPA following the criteria provided therein;
- In respect of accounts where there are potential threats for recovery on account of erosion in the value of security or non-availability of security and existence of other factors such as frauds committed by borrowers/security providers, the asset should be straightaway classified as NPA under doubtful or loss asset category following the criteria provided under the RBI Master Circular on Income Recognition and Asset Classification;
- Accounts are restructured.

b) All the facilities granted by a bank to a borrower and investment in all the securities issued by the borrower will have to be treated as NPA/NPI and not the particular facility/investment or part thereof which has become irregular.

c) In case of borrowers having more than one credit facility from a lending institution, loan accounts shall be upgraded from NPA to standard asset category only upon repayment of entire arrears of interest and principal pertaining to all the credit facilities.

The date of SMA/NPA shall reflect the asset classification status of an account at the day-end of that calendar date.

Example: If due date of a loan account is March 31, 2021, and full dues are not received before the lending institution runs the day-end process for this date, the date of overdue shall be March 31, 2021. If it continues to remain overdue, then this account shall get tagged as SMA-1 upon running day-end process on April 30, 2021 i.e. upon completion of 30 days of being continuously overdue. Accordingly, the date of SMA-1 classification for that account shall be April 30, 2021.

Similarly, if the account continues to remain overdue, it shall get tagged as SMA-2 upon running day-end process on May 30, 2021 and if continues to remain overdue further, it shall get classified as NPA upon running day-end process on June 29, 2021.

(Tear along the line) ....