

Deutsche Bank



Agreement for
Personal Loan
between _____
and Deutsche Bank AG, India

(To be stamped with appropriate stamp duty amount)

This loan agreement (" Agreement") is made at the place and on the date stated in the Schedule attached hereto

BETWEEN

Deutsche Bank AG, a banking company incorporated and existing under the laws of Federal Republic of Germany having its registered office at Taunusanlage 12, D-60325 Frankfurt, and acting through its branch in India mentioned in the Schedule, hereinafter referred to as "the Bank" (which expression shall unless the context otherwise requires, include its successors and assigns) of the one part

AND

The borrower(s) whose name(s) and address(es) are stated in the Schedule and hereinafter referred to as "Borrower", which expression shall unless the context otherwise requires, include in case of an individual or proprietor of sole proprietorship, the heirs, executors and administrators of such individual or proprietor, in case of a company, its successors and assigns and in case of a partnership firm , the partner or partners for the time being of the said firm, the survivors or survivor of them and the heirs, executors and administrators of such partners of the other part.

WHEREAS the Bank is engaged in banking business in India.

AND WHEREAS the Borrower has requested the Bank to provide a loan for the purpose stated in the Schedule hereto ("Loan") and the Bank has accepted such request on the terms and conditions set out in this Agreement.

NOW THEREFORE THIS AGREEMENT WITNESSETH AND THE PARTIES HERETO AGREE AS FOLLOWS: -

Article I

Definitions

1.1. The following definitions apply throughout this Agreement unless the context otherwise requires

"Branch" means the branch of the Bank situated at the place specified in the Schedule through which the Loan is disbursed and shall include any other branch where the Loan account is maintained or transferred to any time at the sole discretion of the Bank.

"EMI" or "Equated Monthly Installment" shall mean the amount of monthly payment necessary to amortise the Loan with interest, over the tenor of the Loan. EMI amount shall incorporate repayment of principal and payment of interest calculated on the basis of the Interest Rate, periodicity of compounding, periodicity of repayment, periodicity of effecting credits in the account so as to aim repayment of the entire liability under the Loan at the end of its tenor.

"EMI holiday" shall mean a particular month each year during the tenor of the Personal Loan as may be opted by the Borrower for which no EMI is payable by the Borrower and by reason whereof there is increase in Personal Loan tenor subject to certain conditions such as good repayment record or such other conditions as may be determined by the Bank in its sole discretion.

"Fixed Rate" means the rate of interest applicable on the Loan, which is subject to review by the Bank after a fixed period as specified in the Schedule.

"Flexi Rate" means interest at the rate specified in the Schedule, where a part of the total is on a Fixed Rate and the remaining is on Floating Rate, chosen by the Borrower, in the application form and specified in the Schedule.

"Floating Rate" shall mean the applicable interest rate announced by the Bank as per the Repo to the Loan with a spread, if any, as may be decided by the Bank from time to time as specified in the Schedule.

"Interest Rate" means the rate at which the Bank shall compute and apply interest on the Loan, being either Fixed Rate, Floating Rate or Flexi Rate as specified in the Schedule or as may be amended from time to time by the Bank. The Interest Rate shall be linked to Repo.

“Repo” means Policy Repo Rate published by the Reserve Bank of India (RBI), reference rate for lending to be charged in accordance with Reserve Bank of India’s circular DBR.DIR.BC.No. 14/13.03.00/2019-20 dated September 4 2019, as amended from time to time.

In addition, the Bank shall also charge a spread over the Repo in such manner and subject to such criteria, as it deems fit on case to case basis.

“Loan” means a term loan facility made available to the Borrower by the Bank under this Agreement.

“Penal Charges” means charges levied by the Bank and payable by the Borrower on account of; (i) delay in repayment of EMIs, (ii) non-submission of valid repayment instructions (iv) delay in creation of ROC charge, where applicable, or any other category as specified in the schedule of charges and payable at the rate as specified in the schedule of charges published on the Bank’s website.

“Prepayment” means premature repayment of the Loan in part or full by the Borrower ahead of the repayment tenor specified in the Schedule. **“Prepayment Charges”** means charges levied by Bank for prepayment as specified in the Schedule.

“Schedule” means the Schedule appended to this Agreement or any amendments re replacements thereto. Such amended Schedule shall supersede the fees, rates and charges stated in the Schedule to this Agreement.

1.2. In this Agreement unless the context otherwise requires:

- a) references to Articles are to be construed as references to the Articles of this Agreement and references to Schedules are to be construed as references to the Schedule to this Agreement and any supplementary or additional Schedule, from time to time executed by the parties and references to this Agreement include references to all such Schedules attached from time to time;
- b) references to a person shall be construed as including references to an individual , firm, the Bank or other body, whether incorporated or not;
- c) references to a “business day” shall be construed as a reference to a day (other than a Public Holiday or Sunday) on which Banks are generally open for business in the place of execution of this Agreement specified in the Schedule; and
- d) words importing the plural shall include the singular and vice-versa.

1.3. Article Headings are inserted for sake of convenience only and shall not affect the interpretation of the provision thereof.

Article II

Loan, Interest, etc.

2.1. **Amount of Loan.** Relying on the representations, covenants and undertaking of the Borrower set forth herein the Bank agrees to lend to the Borrower a sum stated in the Schedule to this Agreement.

2.2. **Purpose of Loan.** The purpose of the loan is stated in the Schedule hereto.

2.3. **Interest.** The Interest Rate applicable on the Loan shall be as stated in the Schedule hereto unless varied in terms of this Agreement. Interest on the Loan shall begin to accrue and become payable from the date of disbursement of the Loan signified by issuance of disbursement pay order/ demand draft or otherwise, without the Bank concerning itself with the receipt of such disbursement by the beneficiary/ recipient and also with the realisation of such pay order/ demand d raft or the time taken in such realisation.

2.4. **Computation of Interest.** Interest on the Loan shall be computed and debited to the Loan account:-

- (i) on the day mentioned in the Schedule;
- (ii) taking the basis of number of days in the year (365 or 366 as the case may be) and calculated at monthly rests; and
- (iii) at the Interest Rate stated in the Schedule or as may be revised by the Bank from time to time; and
- (iv) on the actual amount outstanding on the last day of the preceding period as stated in the Schedule.

The Floating Rate shall be reviewed by the Bank from time to time on the Interest Rate reset dates mentioned in the Schedule. In case of Floating Rate, upon any change in Interest Rate or if the Borrower makes prepayment, then either the EMI or loan tenor will change, at the discretion of the Bank.

2.5. Taxes. The Borrower hereby agrees to comply with the below stated tax related conditions (below tax clause is applicable for the client located in India):-

Direct Taxes:

- (i) All Deutsche Bank A.G. branches in India (hereinafter referred to as 'DBAG India' / 'DB') hold annual withholding tax ('WHT') exemption certificate, issued by the Indian Revenue Authorities (IRA) under section 195(3) of the Income Tax Act, 1961. The WHT exemption certificate is applicable to all sums received by DBAG India only on its own account and not on the account of any Deutsche Bank Branch outside India. It is hereby confirmed that the amounts received/ receivable by DBAG India under this agreement/ letter is on account of DBAG India/ DB. The WHT exemption certificate entitles DBAG India to receive any sum without any deduction of tax at source. In view of the aforesaid the Borrower confirms that it shall not deduct/ withhold tax on payments to DBAG India. A copy of the certificate will be available on request.
- (ii) For subsequent year (s), DB would hand over the WHT exemption certificate as soon as it is received from IRA. If such certificate is not received by the Borrower for the subsequent years, the Borrower, before making payment to DB, shall seek requisite clarification from DB on the WHT exemption certificate status and also ask for the copy of the WHT exemption certificate.

In the event DB is unable to provide such renewed WHT exemption certificate to the Borrower the Borrower shall make that Tax deduction and deliver to DB a tax deduction certificate in the format prescribed under the Income Tax Rules, 1962 (Rules) and within the timelines prescribed under the Rules.

Where the amount to be paid by the borrower is recovered by DB through debit to the borrower's bank account with DB, DB will reimburse the borrower the TDS amount that would be deposited by the borrower, once borrower submit the evidence of TDS amount deposited against DBAG's PAN number. In such case borrower to deliver the TDS certificate immediately post uploading the quarterly TDS statement.

- (iii) If the Borrower wherever required,
 - a) fails to withhold and/or deposit required tax withheld or
 - b) fails to deliver the tax deduction certificate within timelines prescribed under the Income Tax Act, 1961 and Rules there under to DB or
 - c) if the credit of taxes withheld is not appearing online to the credit of DB on the relevant official website of the tax department, the Borrower shall correct this within 30 days from the date of intimation by DB.
- (iv) In case the failure as per above clause (iii) is not corrected by the Borrower within 30 days, the Borrower shall, forthwith on demand from DB or within the timelines as agreed between the parties to this Agreement, promptly indemnify DB against the loss, charge, expense, penalty along with interest incurred or to be incurred by DB in connection therewith.
- (v) The Permanent Account Number (PAN) of DB is AAACD1390F.

Indirect Taxes:

- (i) All amounts (including but not limited to break cost, processing fee or any other fee and expenses including out of pocket expenses reimbursable to DB) due to DB from the Borrower shall be deemed to be exclusive of any Indirect Tax.
- (ii) If any Indirect Tax is applicable on the supply by DB to the Borrower under this Agreement / Letter or if DB is required to make payment of Indirect Tax on such supply, DB shall recover from the Borrower such amount of Indirect Tax along with the amount due under this Agreement/ Letter through issuance of a Tax Invoice/ Debit Note and the Borrower shall pay DB such Indirect Tax over and above the amount due to DB, referred at (i) above.
- (iii) DB would issue credit note in case of any downward revision in value or other changes as allowed under GST law. Separately, in case borrower identifies any specific points which require an issue of credit note as permitted under GST law, borrower would need to inform DB on or before September of the next financial year to which the invoice pertains as per timelines provided under GST law.

- (iv) The Borrower undertakes to provide GSTIN, the address to which Tax Invoice is to be issued, GSTIN certificate and such other information/ documents, as may be required by DB, to adhere to statutory compliances as applicable under Tax Law for issuing Tax Invoice. DB shall not be responsible for verification of GSTIN provided by the Borrower. In case the details provided by the Borrower are incorrect owing to which DB is again required to deposit tax, along interest or penalty (considering the correct GSTIN), then, DB will recover such tax, interest, and penalty from borrower to deposit the same to proper GST authority along with applicable GST.
- (v) If the Borrower fails to provide the GSTIN to DB before the Tax Invoice is issued, the Borrower shall be treated as 'unregistered' and no adjustment pertaining to Tax Invoice already issued will be carried out subsequently. GSTIN provided by Client will be considered only for the invoices issued from the date of provision of GSTIN by Client.
- (vi) Both parties acknowledge and agree that in the event of any enquiry, scrutiny, audit, assessment or any other proceedings initiated by Tax authorities, both parties shall fully co-operate with each other by furnishing the relevant information related to the service provided under this Agreement in reasonable time, as may be required by any of the party.

"Tax" means all forms of present and future taxes, including but not limited to (1) Direct Taxes on income including tax deducted at source (referred to as TDS or WHT) and (2) Indirect Tax which includes Goods and Service Tax (GST) or any other tax of similar nature and any interest, additional taxation, penalty, surcharge or fine in connection therewith and "Taxes" shall be construed accordingly.

"Tax Laws" means the prevalent Tax laws and rules thereunder, or any amendments thereto, in India at the Central, State or Municipal/local level.

2.6. Fees, Charges, Costs and Claims.

All fees, charges and costs including administrative fees, transaction fees, charges towards issuance of duplicate statement / s, etc. payable in connection with the loan and as specified in the Schedule shall be to the Borrower's account. The other Bank's standard schedule of charges shall be reimbursable by the Borrower to the Bank separately. The Bank, reserves the right to fees, charges, etc and such revision shall be communicated to the Borrower. Such revised fees, charges, and costs shall be communicated in the Bank's standard schedule of charges displayed on the Bank's website and at branches of the Bank and the same shall be applicable from the effective date mentioned therein.

2.7. Penal Charges

The Bank will be entitled to recover the Penal Charges together with taxes as applicable. The Bank shall not charge any interest on the Penal Charges payable, however the Bank shall be entitled to recover from the Borrower, Penal Charges whenever due either as part of the repayment or separately. No notice, reminder or intimation shall be given to the Borrower in this regard.

2.8. Revision in Interest Rate

The Bank, may, in its sole discretion in keeping with its internal policies or regulatory requirements), revise the Interest Rate and Penal Charge on the Loan, after notifying the Borrower. Revision in Interest Rates shall be prospectively applicable.

2.9. Mode of Disbursement and Disbursal Schedule.

The Bank may disburse the Loan either in lump sum or in suitable installments to be decided by the Bank. The disbursement shall be made by the Bank through a credit to a designated bank account or by issuing a banker's pay order or a demand draft crossed as "A/c payee only" at the discretion of the Bank considering the request of the Borrower, details whereof are specified in the Schedule hereto.

The charges in relation to the disbursement (including charges of issuance or collection of proceeds by the beneficiary of such pay order or demand draft) shall be borne by the Borrower.

2.10. Repayment.

The Loan (including the principal, interest thereon and any other charges, premium, fees, taxes levies or other dues payable by the Borrower to the Bank in terms of this Agreement) shall be repayable by the Borrower to the Bank:

- (i) At the Branch (or at any other branch of the Bank or at any other place as may be notified by the Bank);
- (ii) By way of EMI mentioned in the Schedule towards repayment of principal and interest; and
- (iii) By separate repayments in case of :
 - a. Prepayment;
 - b. repayment of Loan, fees, charges including Penal Charges, taxes, claims, costs, interest, any other statutory levies or cess or expenses charged to the Loan account. ; or

The Borrower shall issue SI or authorise payment to the Bank through ECS (NACH) approved by the Reserve Bank of India from the bank in which the Borrower has an account with specific instructions to debit the account of the Borrower every month and credit such account as directed by the Bank, for value of the EMI due. All repayments of principal and payment of interest and all other amounts by way of EMI or otherwise shall be given effect to in the loan account (only upon realisation of cheque / demand drafts ECS (NACH)/ SI) in accordance with the method of effecting payment as stated in the Schedule or as adopted by the Bank from time to time. If the Borrower(s) desire to swap / interchange the ECS (NACH) / SI from one bank to another by any reason whatsoever, the Borrower may with prior written permission of the Bank, do so by paying to the Bank such swap charges as set out in the Schedule or as amended by the Bank from time to time.

2.11. Prepayment.

At any time from the date of disbursement, the Borrower shall be entitled to prepay the Loan, in full, as per rules of the Bank, including as to payment of Prepayment Charges, for the time being in force. If at any time, the Bank receives less than the full amount then due and payable to it under this Agreement, the Bank may allocate and apply the amount received in any way or manner and for such purpose or purposes under this Agreement as the Bank in its sole discretion determines, notwithstanding any instruction that the Borrower may give to the contrary.

Article III

Representations and Warranties

3.1 Representations and Warranties.

The Borrower hereby makes the following representations, warranties and undertakings in order to induce the Bank to grant the Loan:

- (i) This Agreement has been duly authorised, executed and delivered by the Borrower and constitutes a valid, binding and enforceable obligation, enforceable against the Borrower in accordance with its terms.
- (ii) The information provided in the Application for the Loan and set out herein is complete and true in all respects.
- (iii) There are no pending claims, demands, litigation or liquidation proceedings against the Borrower or the assets or property of the Borrower which impair or materially affect the ability of the Borrower to perform its obligations under this Agreement.
- (iv) The Loan is required for the purpose stated in the Schedule hereto and the Borrower shall utilise the Loan for such purpose only.
- (v) Neither the execution and delivery by the Borrower of this Agreement nor the performance of the obligations under this Agreement conflicts or shall conflict with or result in any breach of any of the terms, conditions or provisions of, or violate or constitute a default or require any consent under any contract or instrument to which the Borrower is a party or any statute, rule or regulation or any judgement, decree or order of any court, governmental authority, bureau or agency binding on or applicable to the Borrower or in case of a company/ firm/ body corporate, the constitutional documents of the Borrower.
- (vi) The Borrower has exercised due care and caution (including, where necessary, obtaining advice of tax/ legal/ accounting/ financial/ other professionals) prior to taking of the decision, acting or omitting to act, in respect of availing the Loan.
- (vii) The Borrower hereby declares and confirms that he is not (i) a director of a banking company, or (ii) a relative of a director of the Bank. (iii) a "senior officer" of the Bank (iv) a relative of a senior officer of the Bank. The Borrower undertake to promptly inform the Bank upon any of the above declarations becoming untrue (along with details of the change). The scopes of the term 'relative' and 'senior officer' are mentioned below. The term "banking company" has the meaning given to it under the Banking Regulation Act, 1949.
 - a. The scope of the term 'relative' will include spouse, father, mother (including step-mother), son (including step-son), son's wife, daughter (including step-daughter), daughter's husband, brother (including step-brother), brother's wife, sister (including step-sister), sister's husband, brother (including step-brother) of the spouse, sister (including step-sister) of the spouse.
 - b. The term 'Senior Officer' will refer to any officer in senior management level in Grade IV and above in a nationalised bank and any officer in equivalent scale in the State Bank of India and associate banks and in any banking company incorporated in India.
- (viii) The Borrower irrevocably agrees and expressly consent to the Bank, at any time, to disclose to or share with or in any other manner make available to, its head office and any branch, an affiliate entity, associate agent or representative of the Bank, auditors, professional advisors, credit rating agency or any other person to whom the Bank intends to or has transferred or assigned the whole or part of the Loan. If the Borrower defaults in its obligations under any document or instrument related to the Loan, the DB and/ or the RBI will have an unqualified right to disclose or publish the details of such default and the name of the Borrower (as defaulters, in such manner and through such medium as DB or the RBI, subject to applicable law, thinks fit.

3.2 Reliance.

The Bank has entered into this Agreement in reliance of the representations, warranties and undertakings of the Borrower set out herein. These representations and warranties are true and correct in all material respects on and as of the date of this Agreement and with the same effect shall be repeated on the date of each disbursement of the Loan as if those representations and warranties had been made on and as of the date of this Agreement.

3.3 The Borrower will not directly or indirectly use the proceeds of the offering of the securities/ Facility hereunder, or lend, contribute or otherwise make available such proceeds to any subsidiary, joint venture partner or other person or entity

- (i) to fund or facilitate any activities of or business with any individual or entity ("Person") that, at the time of such funding or facilitation, is (collectively, a "Sanction Target"):
 - a. the subject or the target of any sanctions or trade embargos administered or enforced by the U.S. Department of the Treasury's Office of Foreign Assets Control ("OFAC"), the U.S. Department of State, the U.S. Department of Commerce, the United Nations Security Council ("UNSC"), the European Union ("EU"), Her Majesty's Treasury ("HMT"), Hong Kong Monetary Authority ("HKMA"), the Monetary Authority of Singapore ("MAS") or any other applicable sanctions regulation, (collectively, "Sanctions"), or
 - b. owned 50% or more by or otherwise controlled by, or acting on behalf of one or more Persons referenced in clause (A) above, or
 - c. located, organised or resident in a country or territory that is the subject or the target of Sanctions (including but not limited to, Iran, North Korea, Sudan, the Crimea region in Ukraine, and Syria) (each, a "Sanctioned Country"),
- (ii) to fund or facilitate any activities of or business in any Sanctioned Country, or
- (iii) in any other manner that will result in a violation by any Person (including any Person participating in the transaction, whether as initial purchaser, advisor, investor or otherwise) of Sanctions.

3.4 None of the Borrower, is a Person that is a Sanction Target.

3.5 None of the Borrower has or intends to have any business operations or other dealings

- i. in any Sanctioned Country, including the Crimea region in Ukraine, Iran, Sudan, North Korea and Syria,
- ii. with any Specially Designated National ("SDN") on OFAC's SDN list or with a designated person targeted by asset freeze sanctions imposed by the UN, EU or HMT or any other applicable sanctions authority.

3.6 The Borrower has/ have instituted and maintain(s) policies and procedures designed to prevent sanctions violations (by such Issuer and guarantor and their Subsidiaries and by persons associated with such Issuer and guarantor and their Subsidiaries).

3.7 The Borrower neither know nor have reason to believe that any of them are or may become subject of sanctions- related investigations or juridical proceedings.

3.8 The clauses under [Sanctions-related clauses] apply only if and to the extent that they do not result in a violation of the Council Regulation (EC) No. 2271/96 of 22 November 1996 as amended by Commission Delegated Regulation (EU) 2018/1100 of 6 June 2018, section 7 of the German Foreign Trade Ordinance (Außenwirtschaftsverordnung - AWV) or any other applicable anti-boycott or similar laws or regulations'.

3.9 The Borrower agrees that no notice, reminder or intimation shall be given to the Borrower regarding the Borrower's obligation and responsibility to ensure prompt and regular repayment of Loan.

Article IV

Conditions Precedent to Disbursement

4.1 The Bank may not disburse at any time, any amount under the Loan unless the following conditions are complied with in the sole discretion of the Bank:

- (i) This Agreement is duly executed and delivered to the Bank by the Borrower.
- (ii) At the request of the Bank, the Borrower procures in favour of the Bank, a guarantee of such person as may be approved by the Bank, for guaranteeing repayment of the Loan with interest and all other amounts payable in respect thereof.

- (iii) The Borrower submits to the satisfaction of the Bank a certificate of employment from his employer and his financial statements.
- (iv) The Borrower submits to the Bank, NACH/ SI towards payment of EMIs.
- (v) The Borrower submits to the Bank any other documents or writing, as the Bank may require in its sole discretion.
- (vi) No event of default shall have occurred at the date of disbursement of the Loan.
- (vii) The Borrower shall have produced evidence of the utilisation of the Loan or any part disbursement of the Loan.
- (viii) The Borrower shall have produced the Borrower's periodic financial statements.

Article V

Covenants of the Borrower

5.1 Bank's Rules and Regulations.

The Borrower shall comply with and be bound by the Bank's rules and charges, which may change at the Bank's discretion from time to time. Save for manifest error, the Borrower shall accept the statement of account by the Bank or by any other authorised representative of the Bank as conclusive proof of the correctness of any amounts claimed to be due to the Bank under or in relation to the Loan.

5.2 Information Requirement.

The Borrower shall provide the following information to the Bank:

- (i) information and documents concerning Borrower's employment, profession, business or utilisation of Loan as the Bank may require from time to time;
- (ii) information regarding likely change in Borrower's employment/ professional status, address, citizenship or residency status, etc.; and
- (iii) such other information regarding the Borrower, Borrower's financial status and/ or utilisation of Loan proceeds, as the Bank may request from time to time.

5.3 Compliance with rules and regulations.

The Borrower shall duly and punctually comply with all applicable laws and regulations.

5.4 Stamp Duty and Other Statutory Charges.

The Borrower shall be responsible to bear and pay the stamp duty as well as all other statutory charges arising on account of the Loan including stamp duty and registration charges on this Agreement, on the document(s) creating any security in favour of the Bank, if demanded by the Bank as well as on all other instruments executed in relation to the Loan. Bank's Right to Inspect. The Borrower agrees that the Bank or any person authorised by the Bank shall have free access to the financial records of the Borrower for the purpose of examining the ability of Borrower to repay the Loan or ascertaining the proper utilisation of the Loan.

- 5.5 Upon demand by the Bank in case of any event of default, the Borrower shall furnish security to the satisfaction of the Bank or furnish a guarantee for its obligations to repay the Loan in terms of this Agreement in such form and manner as may be requested by the Bank. To create or perfect such security, the Borrower shall execute any agreement, document or undertaking. Any security(ies) furnished by the Borrower, under any other agreement entered into or to be entered into with the Bank, shall be deemed to be the security(ies) under this Agreement. The Borrower agrees that the security(ies) offered in respect of the Loan shall be deemed to be continuing security(ies) in respect of other loan(s)/ facility(ies) obtained/ to be obtained by the Borrower from the Bank and shall not be discharged till such time all the loan(s)/ facility(ies) are fully discharged to the satisfaction of the Bank.

Miscellaneous property of the Borrower. Without prejudice to the other rights of the Bank, the Bank shall have a paramount charge, lien and right of set on all monies, securities, deposits and other assets and properties belonging to the Borrower or standing to the Borrower's credit (whether singly or jointly with any other person(s) in any account whatsoever with any branch of the Bank for any purpose whatsoever and the Bank shall be entitled to appropriate the same for the settlement of any amount due and unpaid in terms of this Agreement.

5.6 Bank's Rights.

The Bank shall have a right:

- (i) in the event it is unwilling to continue the Loan on account of regulatory or other reasons, at any time during the tenure of this Agreement, to recall the entire or part of the Loan without assigning any reason;

- (ii) to revise/ re-schedule the repayment terms/ amount of EMI or any other amounts outstanding thereunder and the Borrower shall make all future repayments to the Bank according to such revised Schedule on being notified by the Bank of such revision or re-scheduling;
- (iii) at any time or from time to time to amend/ revise any of the terms and conditions of this Agreement including but not limited to revision of Interest Rate (including Penal Charges), any other charges or fees, periodicity of compounding of Interest, method of effecting credit of the repayments, etc. without assigning any reason and notify such change/revision to the Borrower. The Borrower will be bound by the change in Interest Rates or such amended terms and conditions as notified by the Bank and the Borrower agree/s that such revision/ change shall become applicable from date of such revision in the records of the Bank;
- (iv) to obtain refinance facility or loan from any bank, company, institution or body, against any security that may have been furnished by the Borrower to the Bank;
- (v) without prejudice to the right of the Bank, to appoint one or more third parties as the Bank may select and to delegate to such third party all or any of its functions, rights and powers under this Agreement relating to the administration of the Loan including the right and authority to collect and receive on behalf of the Bank from the Borrower all due and unpaid EMIs and other amounts due by the Borrower under this Agreement and to perform and execute all lawful acts, deeds, matters and things connected therewith and incidental thereto including sending notices, contacting the Borrower, receiving cash/ cheques/ drafts/ mandates from the Borrower and giving valid and effectual receipts and discharge to the Borrower. In the event of the Bank appointing an agent as aforesaid, the Bank shall be entitled to provide information held by the Bank in relation to the Borrower, the guarantor and the Loan to such agent and the Borrower shall co- operate with such agent appointed by the Bank in the same manner as it would with the Bank in terms of this Agreement. Notwithstanding the above, in the event of any default by the Borrower, the Borrower expressly accepts and authorises the Bank (and/ or any such third party as the Bank may select) to contact third parties (including but not limited to the family members, employers of the Borrower etc.) and disclose all necessary or relevant information pertaining to the Borrower and the Loan and the Borrower hereby consents to such disclosure by the Bank (and/ or any such third party as the Bank may select).
- (vi) to disclose any information about the Borrower, his/ their account relationship with the Bank and/ or any default committed by him/ them in repayment of amounts (whether such information is provided by the Borrower or obtained by the Bank itself and whether in form of repayment conduct, rating or defaults) to its head office, other branch offices, affiliated entities, Reserve Bank of India, other banks, institutions, CIBIL (Credit Information Bureau (India) Ltd), its auditors any refinancing agency, any recovery agency and such third parties including but not limited to rating agencies, family members, employers etc as the Bank may in its sole and exclusive discretion, deem fit and proper. The Bank shall also be entitled to seek and receive any information as it deems fit in connection with the Loan and/ or the Borrower from any third party. The Credit Information Bureau (India) Ltd. and any other agency so authorised may furnish 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;
- (vii) in case the Borrower is an individual, to require the Borrower, in the event of the Borrower opting to resign or retire from the employment prior to the age of superannuation or being discharged or removed from service before such date for any reason whatsoever, to instruct his employer to remit the entire dues or termination benefits (including compensation) becoming payable by the Borrower from his/ their employer on account of his such cessation of employment and to receive and appropriate the same towards the Borrower's liability under the Loan;
- (viii) have the right, at its discretion, to demand all residual charges including but not limited to Penal Charges, fees, late payment charges, costs, etc., remaining unpaid by the Borrower, on maturity of the Loan; and
- (ix) to determine any shortfall in payment of outstanding amounts in respect of the Loan as a 'marginal shortfall amount' such that non-payment or part-payment of such marginal shortfall amount would not constitute an event of default under this Agreement, however, determination of any amount as marginal shortfall amount shall not constitute a waiver of any of the Bank's rights in respect of such marginal shortfall amount. Such marginal shortfall amounts shall be due and payable at the time of maturity of the Loan if not paid during the tenor of the Loan. The Bank may also consider not reporting such non-payment of marginal shortfall amount as delinquent to any credit bureau or in internal records.

5.7 Negative Covenants.

The Borrower shall not:

- (i) during the tenure of this Agreement, avail of or obtain any further loan or facility without the prior written consent of the Bank;
- (ii) stand surety or as guarantor for any third party liability or obligation;

5.8 Other Covenants:

The Borrower shall also ensure that any NACH/ SI instructions given to the Bank by the Borrower pursuant to this Agreement:-

- (i) shall not be changed, modified or countermanded without prior written permission of the Bank;

(ii) if not acted upon by the bank in which the account of the Borrower is maintained for whatever reason, then without prejudice to the rights of the Bank to recall the entire amount outstanding under the Loan, the Borrower shall issue such revised instructions as may be necessary to ensure payment to the Bank in terms of this Agreement and/ or to issue and deliver PDC's for the balance outstanding under the Loan as per Schedule.

5.9 Credit risk profile:

The borrower shall maintain his individual and business credit profile in good order and ensure that it does not deteriorate. Bank may re-evaluate credit profile of the customer, from time to time, and if the Bank witnesses any deterioration in credit profile as per the internal norms, then it may increase the spread charged to the borrower as per its board approved policy in this regard. Such additional interest rate shall be charged to the borrowers loan account on the specific date thereof and shall be deemed to form part of the outstanding. Such change will be intimated to the customer.

Article VI

Events of Default

6.1 Events of Default. The Bank may, by a written notice to the Borrower, declare all sums outstanding under the Loan (including the principal, interest, fees, charges, expenses, etc.) to have become due and payable forthwith upon the occurrence (in the sole decision of the Bank) of any one or more of the following events:-

- i. the Borrower fails to pay to the Bank any amount when due and payable under this Agreement or any other agreement or the NACH/ ECS/ SI is cancelled/ withdrawn/ revoked for any reason whatsoever;
- ii. the Borrower fails to pay to any person other than the Bank any amount when due and payable or any person other than the Bank demands repayment of the loan or dues or liability of the Borrower to such person ahead of its repayment terms as previously agreed between such person and the Borrower;
- iii. the Borrower defaults in performing any of the Borrower's obligations under this Agreement or breaches any of the terms or conditions of this Agreement;
- iv. the Borrower opts to resign or retires from the employment prior to the age of superannuation or is discharged or removed from service before such date for any reason whatsoever;
- v. any information provided by the Borrower to avail the Loan or any representations or warranties herein expressed are found to be incorrect or misleading;
- vi. if there is reasonable apprehension that the Borrower is unable to pay debts due to any person other than the Bank or any creditor has commenced proceedings to declare the Borrower insolvent or bankrupt or if the Borrower shall become bankrupt or insolvent or commit act of insolvency or initiate any proceedings for being declared bankrupt;
- vii. the Borrower fails to give NACH/ SI or submit additional documents to the Bank as provided herein;
- viii. in case of Borrower being an individual, the death of the Borrower;
- ix. any governmental authority or any person acting or proposing to act under governmental authority takes any action to condemn, seize or appropriate, or to assume custody or control of, or appoint a receiver or liquidator in respect of, or passes an order of acquisition, requisition or lien against all or any substantial part of the properties of the Borrower, takes any action against the Borrower or takes any action to displace the management of the Borrower or to curtail its authority in the conduct of its business; or
- x. the Borrower fails to furnish the financial statements or any other information requested by the Bank in terms of this Agreement.
- xi. The Borrower fails to pay any amount when due and payable on other loans/ facilities availed from the bank or any other financial institution
- xii. Deterioration in the business activities of the borrower or general industry/ segment that the borrowers business is a part of
- xiii. Decline in performance of the borrower on credit facilities or decline in score as reported by Credit Information companies
- xiv. The Borrower fails to submit end use documents or any other document required by the Bank from time to time
- xv. Material adverse news reports/ Litigations against the borrower(s) that may have a material adverse on its functioning/ business operations; The above events may also result in deterioration in credit profile and could result in increase in the charged

6.2 Bank's Remedies.

Upon occurrence of an event of default, the Bank shall be entitled:

- i. to enforce and realise any security created in its favour;
- ii. in addition to clause (i), initiate and adopt civil and criminal proceedings against the Borrower/ guarantor for recovery of its dues ; and

- iii. to disclose information pertaining to/ relating to the Borrower to the Reserve Bank of India, Credit Information Bureau (India) Ltd, any other credit bureau or third parties as deemed necessary by the Bank in its sole discretion.
- iv. To charge additional interest rate above the prevailing interest rate change on the Loan such additional interest rate shall be charged/debited to the Borrower's Loan account on the specific date thereof and shall be deemed to form part of the outstanding. Such interest and other amounts shall accordingly attract interest at the same rate as charged on the loan in terms of this Agreement until payment thereof to the Bank to its satisfaction.

6.3 Expenses of Collection. All reasonable costs incurred by the Bank after an event of default has occurred in connection with: collection of amounts due under this Agreement may be charged to the Borrower and reimbursed by the Borrower, as the Bank shall specify.

Article VII

Assignment and Transfer

7.1 The Bank shall have a right to sell or transfer (by way of assignment, securitisation or otherwise) the whole or part of the Loan and outstanding amounts under the Loan including the security if and when created in its favour and/ or any other rights under this Agreement or any other document pursuant hereto to any person including a non-individual entity in such manner or upon such terms and conditions as the Bank may decide in its sole discretion and without giving notice thereof to the Borrower.

7.2 The Borrower expressly agrees, in the event of being notified of any sale, assignment or transfer as aforesaid, to accept such person to whom the Loan is sold, assigned or transferred as his lender and make the repayment of the Loan together with all interest, fees, charges and expenses due under this Agreement to such person as may be directed by the Bank.

7.3 The Borrower shall not be entitled to transfer or assign any of his/ her rights under this Agreement.

Article VIII

Miscellaneous

8.1 Waiver.

The Parties agree that any delay or omission by the Bank in exercising any of its rights, powers or remedies as the lender of the Loan under this Agreement and other documents pursuant hereto shall not impair the right, power or remedy or be construed as its waiver or acquiescence by the Bank.

8.2 Entire Agreement.

The Parties confirm that this Agreement and its Schedule (as amended from time to time) and any other documentation pursuant to it represent one single agreement between the Parties. This Agreement supercedes all prior discussions and representations between the parties, including the Bank brochure, save with respect to the obligations of and representations made by the Borrower to the Bank set forth in any correspondence, application forms or otherwise made or agreed to be made howsoever.

8.3 Governing Laws and Jurisdiction.

Laws of India shall govern this Agreement, the security and other documentation pursuant hereto and courts or tribunals having jurisdiction where the branch is situated shall have exclusive jurisdiction over all aspects governing the interpretation and enforcement of this Agreement, the security and other documentation executed pursuant hereto.

8.4 Notice.

The addresses of the parties shall be as mentioned in the Schedule. The Borrower shall forthwith inform the Bank of any change in the Borrower's address. Any notice or request required or permitted under this Agreement to be given by either party to the other shall be only in writing and sent on the address of the other party as mentioned in the Schedule (or in case to the Borrower, on the address of the Borrower last known to the Bank) :-

- (i) if given by the Bank, may be given by personal delivery, fax or by post and shall be deemed to have been served upon or received by the Borrower. If given by personal delivery, when so delivered and if by post on the expiration of 3 days after the same has been delivered to the post office for onward transmission to the Borrower under certificate of posting; and
- (ii) if given by the Borrower to the Bank when it is actually received by them.

8.5 Set Off.

The Borrower hereby authorise the Bank to apply any credit balance to which the Borrower may be entitled under any loan/ facility(ies), in satisfaction of any sum due and payable herein but remaining unpaid. In case of any event of default, without prejudice to any other right of the Bank provided herein, the Bank shall be entitled to set off its dues against any monies in its possession/ control and due from it to the Borrower whether by way of deposits or otherwise.

8.6 Joint and Several Liability.

In case of more than one Borrower, each Borrower shall be jointly and severally liable to repay the Loan together with interest, fees, charges and all other sums due and payable under this Agreement and to observe the terms and conditions of this Agreement.

8.7 Amendment.

The Schedules hereto and any amendments thereof shall be deemed to be part of this Agreement as if the provisions thereof were set out herein in extension. Any modification/ revision of this Agreement/ Schedules shall be in writing and signed by both parties. Such writing shall thereafter form an integral part of this Agreement.

8.8 Recovery policy.

The Bank is committed to its policy for recovery and repossession of security, a latest copy of which is available on the Bank's website www.deutschebank.co.in.

The current version of the recover policy of the Bank is appended to this Agreement as Annexure A.

8.9 Grievance Redressal.

The Bank has a Grievance Redressal Mechanism in place to address any concerns related to this Loan Agreement or for any assistance required during the tenor of the loan. The Borrower may submit complaints through the Customer Service Helpline, email, postal address, or online complaint form provided by the Bank. The Bank is committed to resolving all complaints fairly and promptly, in accordance with its policies and within purview of regulatory guidelines.

The Borrower may submit their service requests, complaints or concerns through the following channels:

1. Customer Service Helpline : 1860 266 6660
2. Email : premium.care@db.com
3. Postal Address : PO Box 9095, Goregaon (East), Mumbai 400 063
4. Website : <https://www.deutschebank.co.in/en/connect-with-us/customer-feedback-new.html>

In case the Borrower is not satisfied with the resolution, they may escalate the issue to higher authorities within the Bank or approach the relevant regulatory body (viz. Banking Ombudsman), details of which are provided on the bank's website www.deutschebank.co.in.

IN WITNESS OF THE AGREEMENT, THE PARTIES HERETO HAVE SIGNED HEREUNDER ON THE DAY, MONTH AND YEAR MENTIONED IN THE SCHEDULE TO THIS AGREEMENT

Signed and Delivered by the Borrower

Name	Signature

Signed and delivered by Deutsche Bank AG

Through its authorised signatory (Name)	Signature

Schedule

1	Place of Agreement	
2	Date of Agreement	
3	Name of the Borrower(s)	
4	Address of the Borrower(s) and for the purpose of service of Notices	
5	Address of the Branch office of the Bank for the purpose of service of Notices	
6	Loan Amount	Loan Amount Rs. _____/- (Rupees _____ only)
7	Tenure	_____ Months
8	Number of Installments	
9	Number of Advance Installments Number of Balance Installments	
10	Frequency of Payment	Monthly
11	Value of Installments	All installments of Rs. _____/- (Rupees _____ only) each
12	Proposed date when first installment is due EMI Holiday	
13	Proposed date when last Instalment will be due	
14	Day on which interest will be charged to the account each month	_____ TH
15	Processing Fees	_____ + taxes as applicable
16	Penal Charges	
17	Prepayment Charges	
18	Charges for unsuccessful execution of Standing Instruction for payment/ ECS (NACH)	
19	Tax (applicable on fees and charges)	
20	ECS (NACH)/ SI swap charges	
21	Duplicate Statement issuance Charges	
22	Other charges	
23	Date of disbursal of the Loan amount or any part thereof	
24	Mode of payment a) NACH — Name of Drawee Bank b) SI — Letter of Standing Instruction — Name of Drawee Bank	I/ We am/ are aware that schedule of charges (as stated in the Most Important Terms and Conditions, which was acknowledged by me/ us at time of applying for the Loan) are amended from time to time and that the same can be accessed through the Bank's website i.e www.deutschebank.co.in
25	Purpose of the loan	
26	Interest Rate	The Interest Rate shall be linked to the Repo. "Repo" means policy Repo Rate published by the Reserve Bank of India (RBI), reference rate for lending to be charged in accordance with Reserve Bank of India's circular DBR.DIR.BC.No.14/13.03.00/2019-20 dated September 4 2019, as amended from time to time.

		<p>The Bank reserves the right to determine its actual lending rate on loans and advances, with reference to the Repo, by including a spread, as the Bank deems fit.</p> <p>The spread over the Repo which shall be determined by the Bank taking into account factors like credit risk premium, business strategy cost, operating cost or any other parameter determined by the Bank from time to time. Deterioration in the credit risk profile may result in an increase in the spread.</p> <p>Applicable Repo: Repo published on the last working day of the previous calendar month will be the applicable Benchmark rate for your Loan.</p>
30	Repo	_____ %
31	Type of Interest Rate Fixed or Floating	
a	Fixed Rate of Interest	_____ %
b	Floating Rate of Interest	Repo + Spread _____ % = _____ %
	Frequency of review of the floating rate of interest.	Every quarter on 16th January 16th April, 16th July and 16th October
	First Reset Date	
32	Moratorium applicable (Yes/ No) a. Interest Moratorium (no of month) Interest Moratorium start date Interest Moratorium end date b. Principal Moratorium (no of month) Principal Moratorium start date Principal Moratorium end date	

Signature of Borrower [X]

IN WITNESS OF THE AGREEMENT, THE PARTIES HERETO HAVE SIGNED HEREUNDER ON THE DAY, MONTH AND YEAR MENTIONED IN THE SCHEDULE TO THIS AGREEMENT

Signed and Delivered by the Borrower

Name	Signature

Signed and delivered by Deutsche Bank AG

Through its authorised signatory (Name)	Signature

Annexure A

Policy on Collection of Dues

1. Introduction:

The debt collection policy of the Bank is built around dignity and respect to customers. Bank will not follow policies that are unduly coercive in collection of dues. The policy is built on courtesy, fair treatment and persuasion. The Bank believes in following fair practices with regard to collection of dues and thereby fostering customer confidence and long-term relationship. The repayment schedule for any loan sanctioned by the Bank will be fixed taking into account paying capacity and cash flow pattern of the Borrower. The Bank will explain to the customer upfront the method of calculation of interest and how the Equated Monthly Installments (EMI) or payments through any other mode of repayment will be appropriated against interest and principal due from the customers. The Bank would expect the customers to adhere to the repayment schedule agreed to and approach the Bank for assistance and guidance in case of genuine difficulty in meeting repayment obligations. All the practices adopted by the Bank for follow up and recovery of dues will be in consonance with the law.

2. General Guidelines:

All the members of the staff or any person authorised to represent our Bank in collection would follow the guidelines set out below:

- (i) The customer would be contacted ordinarily at the place of his/ her choice and in the absence of any specified place, at the place of his/ her residence and if unavailable at his/ her residence, at the place of business/ occupation.
- (ii) Identity and authority of persons authorised to represent Bank for follow up and recovery of dues would be made known to the borrowers at the first instance. The Bank staff or any person authorised to represent the Bank in collection of dues will identify himself/ herself and display the authority letter issued by the Bank upon request.
- (iii) The Bank would respect privacy of its borrowers.
- (iv) The Bank is committed to ensure that all written and verbal communication with its Borrowers will be in simple business language and Bank will adopt civil manners for interaction with borrowers.
- (v) Normally the Bank's representatives will contact the Borrower between 0700 hrs and 1900 hrs, unless the special circumstance of his/ her business or occupation requires the Bank to contact at a different time.
- (vi) Borrower's requests to avoid calls at a particular time or at a particular place would be honored as far as possible.
- (vii) The Bank will document the efforts made for the recovery of dues and the copies of communication set to customers, if any, will be kept on record.
- (viii) All assistance will be given to resolve disputes or differences regarding dues in a mutually acceptable and in an orderly manner.
- (ix) Inappropriate occasions such as bereavement in the family or such other calamitous occasions will be avoided for making calls/ visits to collect dues.

3. Giving notice to borrowers

While written communications, telephonic reminders or visits by the Bank's representatives to the borrowers place or residence will be used as loan follow up measures, the Bank will not initiate any legal or other recovery measures without giving due notice in writing. Bank will follow all such procedures as required under law for recovery of dues.

STANDING INSTRUCTION FORM

To:
DEUTSCHE BANK AG,
_____ Branch

Ref: Application Ref Number / Loan Account Number: _____

I/We, the undersigned confirm availing of the loan disbursement as per the written instructions given by me/us. As have been agreed at the time of signing the Loan Agreement, I/We authorize you to debit my/our Savings Account No. _____ held with Deutsche Bank AG, towards:

1. Towards Loan EMI dues as applicable
2. Overdue Principal, Interest or any other charges due against the loan as covered in the Loan Agreement.
3. Any Transaction Charges arising out of any Service Request placed by me/us.

I agree and authorize the bank to debit my above-mentioned account for any such amount falling due from the date of availing the loan (Account opening Date) upto Loan Maturity.

All the terms and conditions agreed to by me/us will continue to be valid and binding on me/us.

Thanking you,

Yours faithfully

Name and Signature

DISBURSEMENT AUTHORISATION LETTER

To Manager,
Deutsche Bank AG, India
_____branch

Re: Authority Letter for Disbursement

- (i) Deutsche Bank AG, India (hereinafter referred to as "Bank") has vide offer letter dated _____ sanctioned a loan (hereinafter referred to as "Loan") to me/ us as per the details stated in the offer letter.
- (ii) Pursuant to the sanction of the Loan, I/ we have executed a loan agreement dated _____ ("Loan Agreement") with the Bank, which states the terms and conditions for disbursal of the Loan or part thereof to me/ us.
- (iii) In terms of the Loan Agreement, I/ we hereby authorise the Bank to issue banker's Pay Order, a demand draft, or effect credit to a designated bank account evidencing the disbursal of the Loan or parts thereof as per the details below.

PAYMENT DETAILS:

By Crediting my savings account number _____ held with Deutsche Bank

OR

Through payorder / demand draft as under:

Payee Details	Amount Rs.

I/ we understand and acknowledge that in case the loan is disbursed either by a Demand Draft or Pay Order, the interest/ EMI is payable from the date of issuance of the said Demand Draft or Pay Order irrespective of the date of actual receipt of funds by me or on behalf of me/ ourselves by the developer, seller or any other bank and financial institution.

I/ we undertake not to dispute or contest this at any point of time.

Name and Signature

Date:

IRAC Annexure

From:

Mr / Ms / M/s. _____

(Name and address of the borrowers)

To:

The Manager, Deutsche Bank

_____ branch

Dear Sir,

With reference to the Credit facilities sanctioned to me/ us vide sanction Letter ref No _____ Dated _____ and being availed by us today, I/ we confirm having understood the following concepts and illustrative examples related to due dates, classification of our borrowal accounts as SMA/ NPA in the course of the conduct of the accounts.

Concepts/ clarifications/ Illustrative examples on Due dates and specification of SMA/ NPA classification dates:

Dues:

mean, the principal/ interest/ any charges levied on the loan account which are payable within the period stipulated as per the terms of sanction of the credit facility.

Overdue:

mean, the principal/ interest/ any charges levied on the loan account which are payable, but have not been paid within the period stipulated as per the terms of sanction of the credit facility. In other words, any amount due to the bank under any credit facility is 'overdue' if it is not paid on the due date fixed by the bank.

Relevance of the Principle of 'First In First Out' (FIFO) in appropriation of payments into the borrowal account:

The Principle of FIFO i.e., 'First In, First Out' accounting method is relevant to arrive at the No. of days of overdue for determining the SMA/ NPA status. The FIFO principle assumes that the oldest outstanding dues in the loan account needs to be cleared first. The FIFO method thus requires that what is due first must be paid by the borrower first.

For example:

if in any loan account as on 01.02.2021 there are no overdues and an amount of Rs.X is due for payment towards principal instalment/ interest/ charges, any payment being credited on or after 01.02.2021 in the loan account will be used to pay off the dues outstanding on 01.02.2021.

Assuming that nothing is paid/ or there is partial payment (Rs Y) of dues during the month of February, the overdue as on 01.03.2021 will be Rs. X-Y.

Additionally, an amount of Rs. Z becomes due as on 01.03.2021, Now any payment/ partial payment into the account on or after 01.03.2021 will be first utilised to pay off the partial due of 01.02.2021 (Rs X - Rs. Y) If there is more recovery than the Rs X - Rs Y. then after recovering dues of 01.02.2021, the remaining amount will be treated as recovery towards due of 01.03.2021.

Age of oldest Dues:

The age of oldest dues is reckoned in days from the date on which the oldest payment is due and continues to remain unpaid. In the aforesaid illustration, if the Dues relating to 1st February 2021 remain unpaid till 01.03 2021, the age of the oldest dues is reckoned as 29 days on 02.03.2021.

Classification as Special Mention Account (SMA) and Non-Performing Asset (NPA)

Lending institutions will recognize the incipient stress in loan accounts, immediately on Default, by classifying them as Special Mention Accounts (SMA) The basis of classification of SMA/ NPA Category shall be as follows:

Loans in the nature of Term Loans		Loans in the nature of cash credit / overdraft	
SMA Sub-categories	Basis for classification - Principal or interest payment or any other amount wholly or partly overdue	SMA Sub-categories	Basis for classification - Outstanding balance remains continuously in excess of the sanctioned limit or drawing power, whichever is lower, for a period of
SMA-0	Upto 30 days		
SMA-1	More than 30 days and upto 60 days	SMA- 1	More than 30 days and upto 60 days
SMA-2	More than 60 days and upto 90 days	SMA-2	More than 60 days and upto 90 days

However, In case of NBFCs, the reference to 90 days for SMA-2/ NPA classification to be read as per the applicable norms and also subject to the provisions of the RBI Circular DOR CRE.REC .No.60/ 03.10.001/ 2021- 22 dated October 22,2021 on 'Scale Based Regulation (SBR): A revised Regulatory framework for NBFCs . Also the asset classification norms of Agricultural advances which are based on Crop Season shall continue as hitherto.

Non-performing Asset:

Non-Performing Asset (NPA) is a loan or an advance where:

1. interest and/ or instalment of principal remains overdue for a period of more than 90 days in respect of a term loan,
2. the account remains 'out of order' as indicated below, in respect of an Overdraft/Cash Credit (OD/CC),
3. the bill remains overdue for a period of more than 90 days in the case of bills purchased and discounted,
4. the instalment of principal or interest thereon remains overdue for two crop seasons for short duration crops,
5. the instalment of principal or interest thereon remains overdue for one crop season for long duration crops.

'Out of Order' Status:

An account shall be treated as 'out of order' if:

1. the outstanding balance in the CC/OD account remains continuously in excess of the sanctioned limit/drawing power for 90 days, or
2. the outstanding balance in the CC/OD account is less than the sanctioned limit/drawing power but there are no credits continuously for 90 days, or the outstanding balance in the CC/OD account is less than the sanctioned limit/drawing power but credits are not enough to cover the interest debited during the previous 90 days period.

Illustrative movement of an account to SMA category to NPA category based on delay/ nonpayment of dues and subsequent upgradation to Standard category at day end process:

Due date of payment	Payment Date	Payment covers	Age of oldest dues in days	SMA / NPA Categorization	SMA since Date /SMA class date	NPA Categorization	NPA Date
01.01.2022	01.01.2022	Entire dues upto 01.01.2022	0	NIL	NA	NA	NA
01.02.2022	01.02.2022	Partly paid dues of 01.02.2022	1	SMA-0	01.02.2022	NA	NA
01.02.2022	02.02.2022	Partly paid dues of 01.02.2022	2	SMA -0	01.02.2022	NA	NA
01.03.2022		Dues of 01.02.2022 not fully paid 01.03.2022 is also due at EOD 01.03.2022	29	SMA -0	01.02.2022	NA	NA
		Dues of 01.02.2022 fully paid, Due for 01.03.2022 not paid at EOD 01.03.2022	1	SMA-0	01.03.2022	NA	NA
		No payment of full dues on 01.02.2022 and 01.03.2022 at EOD 03.03.2022	31	SMA - 1	01.02.2022 / 03.03.2022	NA	NA

		Dues of 01.02.2022 fully paid, Due for 01.03.2022 not fully paid at EOD 01.03.2022	1	SMA-0	01.03.2022	NA	NA
01.04.2022		No payment of dues of 01.02.2022 01.03.2022 and amount due on 01.04.2022 at EOD 01.04.2022	60	SMA 1	01.02.2022 / 03.03.2022	NA	NA
		No payment of dues of 01.02.2022 till 01.04.2022 at EOD 02.04.2022	61	SMA 2	01.02.2022 / 02.04.2022	NA	NA
01.05.2022		No payment of dues of 01.02.2022 till 01.05.2022 at EOD 01.05.2022	90	SMA 2	01.02.2022 / 02.04.2022	NA	NA
		No payment of dues of 01.02.2022 till 01.05.2022 at EOD 02.05.2022	91	NPA	NA	NPA	02.05.2022
01.06.2022	01.06.2022	Fully Paid dues of 01.02.2022 at EOD 01.06.2022	93	NPA	NA	NPA	02.05.2022
01.07.2022	01.07.2022	Paid entire dues of 01.03.2022 & 01.04.2022 at EOD 01.07.2022	62	NPA	NA	NPA	02.05.2022
01.08.2022	01.08.2022	Paid entire dues of 01.05.2022 & 01.06.2022 at EOD 01.08.2022	32	NPA	NA	NPA	02.05.2022
01.09.2022	01.09.2022	Paid entire dues of 01.07.2022 & 01.08.2022 at EOD 01.09.2022	1	NPA	NA	NPA	02.05.2022
01.10.2022	01.10.2022	Paid entire dues of 01.09.2022 & 01.10.2022	0	Standard Account with No Overdues	NA	NA	STD from 01.10.2022

Day- end process:

It is further clarified that borrower accounts will be flagged as overdue by the bank as part of day-end processes for the due date, irrespective of the time of running such processes. Similarly, classification of borrower accounts as SMA as well as NPA will be done as part of day-end process for the relevant date and the SMA or NPA classification date will be the calendar date for which the day end process is run. In other words, 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, 2024, and full dues are not received before bank runs the day-end process for this date, the date of overdue shall be March 31, 2024. If it continues to remain overdue, then this account will be tagged as SMA-1 upon running day-end process on April 30, 2024 i.e. upon completion of 30 days of being continuously overdue. Accordingly, the date of SMA-1 classification for that account will be April 30, 2024.

Similarly, if the account continues to remain overdue, it will be tagged as SMA-2 upon running day-end process on May 30, 2024 and if continues to remain overdue further, it will be classified as NPA upon running day-end process on June 29, 2024.

I/ we also understand that the aforesaid few examples are illustrative and not exhaustive in nature covering common scenarios, and that, the IRACP norms and clarifications provided by RBI on the subjects referred above will prevail.

Yours faithfully,

(Borrower's signature)

Date :

Place:

Specimen Signature

Name	Initials	Signature

For bank use only

LOS #	Loan Account #
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Version – July'25