MOST IMPORTANT TERMS AND CONDITIONS FOR ASPIRING BUSINESS LOAN - WORKING CAPITAL CASH CREDIT/OVERDRAFT FACILITY

Bandhan Bank

Borrower(s) information:

Borrower name		Branch name	
		Branch ID	
Loan ID		Product name	
CIF		Registered address	
Contact number		Branch address	

Co-borrower(s) name			
Loan ID			
CIF			
Contact number			
Registered address			

Simplified fact sheet on pricing:

Details of application form	Application form no.: ____________________________	Date:	D D M M Y Y Y Y
Details of sanction letter	Ref. no.: ____________________________	Date:	D D M M Y Y Y Y
Type of facility	Cash credit/Overdraft		
Cash credit/Overdraft limit		Validity period	
Asset cover		Validity period expiry date	D D M M Y Y Y Y
Cheque bouncing charges	Cheque Return: Financial Reason for Inward/Outward – ₹100 per return + applicable taxes Stop Payment per instrument/Series- ₹50+ applicable taxes	Stamp duty charges	Actuals, as per state laws + applicable taxes
Loan processing fee	Cash Credit/ Overdraft: up to 2% of sanctioned loan amount	Loan renewal charges	Renewal Charges: 1.00% of existing sanctioned limit + applicable taxes Life Insurance + GST (if applicable) In case of enhancement of limit – 1.00% of existing sanctioned limit and 2 % on the enhancement amount + applicable taxes
Purpose of the facility		Account	Cash credit/Overdraft facility shall be drawn by the borrower only through the account
Ad hoc/TOD limit set up charges	0.50% of sanction limit+ applicable taxes	Penal charges	Interest not Paid- 2% per month on outstanding interest No charges shall be applicable for the first 7 days of interest demand generation. Expiry of Working Capital - 2% per annum on the outstanding amount of fund-based credit facilities for the expiry period No charges shall be applicable for the first 30 days after the expiry date

<table>
<tr><td>Cheque book issuances charge</td><td>For every FY, one book of 25 leaves free, and thereafter chargeable as per Bank's policy</td><td rowspan="3">Penal charges</td><td>Drawing over limit/Drawing Power - 2% per annum on the limit/drawing power for the overutilized period</td></tr>
<tr><td rowspan="2">Foreclosure charges</td><td rowspan="2">NIL</td><td>Delay in submission of monitoring document (Stock Statements, Insurance Policies, Financial Statement, Charge Creation Receipt) - 2% per annum for the delayed duration</td></tr>
<tr><td>Non-compliance with other sanctioned covenants - 2% per annum for the delayed duration</td></tr>
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Interest	Fixed: As decided by Bank from time to time
Repayment	The borrower shall, unless otherwise agreed to by the Bank, repay to the Bank forthwith on demand such of the amounts as may be outstanding at the foot of the relevant account in respect of the Cash credit/Overdraft facility, together with all interest, costs, charges, expenses and monies whatsoever stipulated in, or payable under, this agreement and/or the other transaction documents.
Other terms	As stipulated under the sanction letter and outlined below in Annexure A

Contact details under Grievance Redressal System:

1.	Details of 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 accept and receive the same.

____

Signature of borrower(s)

ANNEXURE A - TERMS AND CONDITIONS

a. In furtherance to the terms and conditions stipulated here, the borrower shall abide by terms and conditions of the loan agreement without any demur.

b. The borrower shall keep the Bank advised of any circumstances adversely affecting the financial position of the borrower, including any action taken by any creditor, statutory authority against the borrower/co-borrower/guarantor.

c. The borrower shall route entire banking transactions through the accounts opened with the Bank.

d. The borrower is not availing any Cash Credit/Overdraft facility from any other banks or financial institutions.

e. All frauds/defalcations shall be reported forthwith to the Bank along with the proposed action steps.

f. Applicable tax will be charged and recovered as per the government rules/regulations.

g. Borrower to comply with all the guidelines prescribed by Reserve Bank of India from time to time.

h. The borrower shall not induct on its management a person whose name appears in the list of wilful defaulters published by Reserve Bank of India and that in case, such a person is found to be in the management, it shall take expeditious and effective steps for removal of the person from the board.

i. The borrower should permit legal audit to be conducted as per Bank's/RBI's extant guidelines.

j. The borrower shall comply with all the legal requirements stipulated by the local/state/central government or any other regulations as and where applicable.

k. The borrower should not pay any consideration by way of commission, brokerage, and fees or in any other form to the guarantors if any, directly or indirectly.

l. The borrower shall furnish to the Bank with the position vis-à-vis the outstanding statutory obligations such as income tax, payment of provident fund, additional emoluments (compulsory deposit), gratuity, electricity dues etc. as and when demanded by the Bank with reasons, if any, for increase from the earlier month and the proposed plan of payments thereof.

m. The Bank will be free to suitably modify the terms and conditions detailed above whenever considered necessary.

n. The borrower will not make any public announcement or media announcement about the transaction without a prior written consent from the Bank.

o. The borrower shall furnish information/documents including quarterly/annual financial accounts as may be required by the Bank for review/renewal of credit facility now sanctioned.

p. The borrower shall pay the charges to the Bank as per the standard schedule of charges for various services rendered by the Bank unless otherwise specifically waived/reduced in writing by the Bank.

q. The Bank reserves an unconditional right to cancel the undrawn/unused/un-availed portion of the loan/facility sanctioned at any time during the currency of the loan/facility without any notice to the borrower, for any reason whatsoever.

r. The Bank may at its sole discretion disclose such information to such institution(s)/bank in connection with the facilities/loan granted to the borrower if requested by him/them.

s. The borrower shall adhere to all other covenants stipulated by the Bank from time to time.

t. In case the borrower defaults in the payment of any dues to the Bank as per terms of sanction of the credit facilities, the Bank and RBI will have unqualified & unfettered right to disclose or publish the names of the borrower/co-borrower/guarantor, in such manner and through such mediums as the Bank/RBI, at their absolute discretion may think fit. The borrower/co-borrower/guarantor give their consent to the Bank, to disclose the information and the data furnished by him/them to the Bank and also those regarding the facility/loan to the credit bureau or any other organisation as deemed fit by the Bank.

u. The Bank shall have exclusive right to verify the end-use as per the declaration to ensure that the loan advanced by Bank has been used only for the purposes for which it has been sanctioned.

v. In a scenario when the credit facilities availed by the customer from the banking system becomes ₹5 crore or more, customer will intimate the Bank. If customer is not informing the same it will be his/her sole responsibility.

I/We have read and understood or has been made to understand in the language we understand by translation in our vernacular language the Most Important Terms and Conditions of the Bandhan Bank Aspiring Business Loan-Working Capital Cash Credit/Overdraft.

I/We hereby confirm that the terms and conditions stipulated in this most important terms and conditions are to be read with the sanction letter and the loan agreement, all of which shall be binding on me/us.

_________________________ **Signature of borrower**

_________________________ **Signature of guarantor**

_________________________ **Signature of 1st co-borrower**

_________________________ **Signature of 2nd co-borrower**

_________________________ **Signature of 3rd co-borrower**

Date: D D M M Y Y Y Y

Place : _________________________

ANNEXURE B - EXAMPLES OF SMA & NPA CLASSIFICATION DATES

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 in the nature of revolving facilities like cash credit/overdraft	
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	Not Applicable
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;

- 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.

Definition of "Out of Order": As per the RBI Guidelines provided under Master Circular on Income Recognition and Asset Classification, an account should be treated as 'out of order': if the outstanding balance remains continuously in excess of the sanctioned limit/drawing power for 90 days, or the outstanding balance in the Cash Credit/Overdraft 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 provided that the 'previous 90 days period' for determination of 'out of order' status of a Cash Credit/Overdraft account shall be inclusive of the day for which the day-end process is being run.

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.