

MOST IMPORTANT TERMS & CONDITIONS

1. Interest:

- i. Interest whether floating type or fixed type will be charged in the account as per sanction. Reset of interest will be as per stipulated in the sanction. Interest is to be calculated on daily balance due to the Bank so long as the amount due from the borrower is not paid in its entirety and the same will form part of the principal and carry interest at the applicable rate at monthly rests.
- ii. The borrower understands that the amount of EMI shall be subject to change in accordance with change/revision in applicable interest rate. The borrower shall have one of the following options to exercise for repayment of the Loan
 - a) To pay the increased amount of the EMI; or
 - b) To continue to pay the existing amount of the EMI with the condition that the balance outstanding in the Loan account shall be paid in one go with the last EMI of the originally applicable repayment tenor; or
 - c) To prolong the repayment period (within overall repayment tenor as per the respective scheme guidelines & permissible borrower age as per the respective scheme guidelines).

In case no option is exercised by the Borrower on account of change in the applicable interest rate affecting the EMI, the option, as given at (ii.c) above, shall be deemed to have been exercised by the Borrower.

- iii. At the time of reset of interest rates, borrowers will be provided the option to switch over to a fixed rate from Floating rate or vice-a-versa. Such change of option shall not, however, be permitted for a minimum period of one year from the date of 1st disbursement, where after any change will be subject to the eligibility of the Borrower & change of option shall, however, be subject to payment of fees/ charges on the total amount outstanding (including undisbursed amount, if any) in the account. This is an optional exercise and shall only be carried out at the sole discretion of the borrower. However, borrower can exercise this option maximum upto 5 times in case of Home Loan and 2 times in case of other retail loans during the currency of the loan and once the option is exercised, it will be subjected to lock in period of three years i.e. the borrower may be allowed to exercise this option again only after the expiry of 3 years from the date of previous exercise.
- iv. For all floating loans/credit facilities linked with RLLR, the RLLR will be changed from time to time by the Bank subject to the change in Repo rate by RBI. On Reset date, the interest rate may change and if the same is not acceptable to the borrower, the outstanding term loan shall have to be adjusted in full, failing which the bank would charge the revised interest rate from the date of reset.
- v. If the bank chooses to revise the interest rate due to the reset clause, and in case, the borrower is not agreeable with the proposed rate fixed at the time of reset or no consensus is arrived at mutually on rate of interest to be charged from the reset date, pre-payment option may be exercised by the borrower for discontinuation of the loan. In such an eventuality, no pre-payment penalty will be levied which will provide a comfort to the good corporate borrowers. However, a reasonable time of not more than one month shall be given to the borrower to make arrangement for repaying the bank's loan. After expiry of the stipulated period, the interest rate as fixed by the bank shall be charged.
- vi. The borrower can prepay, either in part or in full, at any point during the tenor of the loan. Levy of foreclosure charges/ pre-payment penalty shall be subject to extant Bank's guidelines.
- vii. The bank will make efforts to keep its borrowers' informed of any change in interest rates through the official website (www.pgb.org.in), annual statement of accounts, display in its offices and general announcements from time to time.
- viii. A standard illustrative chart for loan amounting of Rs. 1 Lac; illustrating the possible impact of Change in benchmark interest rate leading to change in EMI is as under:

Rate of Interest	Remaining Tenor of Loan (in completed years) and EMI (per lac) (in Rs.)					
8.00%	2028	1213	956	836	772	734
8.50%	2052	1240	985	868	805	769
9.00%	2076	1267	1014	900	839	805
9.50%	2100	1294	1044	932	874	841
10.00%	2125	1322	1075	965	909	878

2. Penal Charges:

- i. Penalty, if charged, for non-compliance of material terms and conditions of loan contract by the borrower shall be treated as penal charges.
- ii. The events where the account attracts levying of penal charges are as under (wherever applicable):
 - a) Default in repayment of loans;
 - b) Irregularities in Overdraft accounts;
 - i. In case of irregularities in OD accounts due to levy of monthly/quarterly/half- yearly interest or service charges or/and the outstanding balance in the OD account is in excess of the sanctioned limit/drawing power, the borrower shall regularize the account within the time period of 7 days. If the account is not regularized, penal charges shall be levied from first date of default. In case interest/service charges are not paid on time, penal charges shall be levied.
 - c) Non- submission of documents for review/renewal
 - i. Non-submission of complete papers by the borrower for review/renewal of credit facilities as per terms and conditions of sanction, shall attract penal charges.
 - d) Non-creation/perfection of Security as per Terms and conditions of sanction;
 - e) Non-compliance of Terms and conditions of sanctions (other than specified above).
 - i. Bank shall levy penal charges in case of default in observance of terms & conditions of the sanction.
- iii. Penal charges for the period of default is to be levied as under:
 - I. On the amount of default/irregularity
 - (i) For any one of trigger events stated at point no. (a) & (b) above: 2.00% p.a.
 - (ii) For two or more trigger events stated at point no. (a) & (b) above: 3.00% p.a.
 - II. On the total outstanding
 - (i) For one or more trigger events stated at point no. (c) to (e) above: 2.00% p.a.

Note for I and II: If the trigger events are a combination of point (a) to (b) and point (c) to (e) then penal charges shall be capped at 4% p.a., i.e., 2% on the default/irregularity and 2% on the outstanding amount.

iv. Exemptions from Levying of Penal Charges

Penal charges should not be levied in the following areas:

- a. All advances up to ₹25000/-.
- b. Advances against deposits, life insurance policies and government securities/gold where the drawings are within the available value of the security.

v. Penal charges on pre-payment/foreclosure of loan in case of takeover i.e. loan is prepaid by the borrower for shifting to other Bank/ FI.

Pre-payment charges shall be applicable @2% of the pre-paid outstanding amount in case of Term Loans only & not to other facilities such as Non- Fund based, Working Capital Limits, Overdrafts etc.

However, no prepayment charges are to be levied in the following cases:

- (a) MSE Borrower
- (b) Floating rate term loan (Non-Business) sanctioned to Individual Borrowers.
- (c) Microfinance Loans (Except Loans to NBFC-MFIs)
- (d) Loans sanctioned at a fixed rate with reset clause, if the borrower exercises his option for floating rate interest at the time of reset.
- (e) Where the loans are prepaid by the borrowers from their own sources.
- (f) Where the borrower shifts to other banks within 30 days from the date of issuance of circular for upward revision in the spread to be charged in his account or change in other terms of sanction.
- (g) In case of upward revision in the interest rate due to reset of benchmark rates and the borrower informs the Bank within 30 days from the date of reset & shifts its account to other Bank within 90 days from the date of reset.

vi. Non-repayment of Interest or EMI on the due date will amount to default and may affect the CIC score.

3 Margin/ Promoter's contribution

The applicant should bring in their entire contribution before release of the Loan or in the manner otherwise provided in the sanction. Further, it should also be ensured that margin stipulated is maintained /provided at each stage of disbursement.

4 Fee & other Charges: Fees and other charges as applicable on application/ during the currency of the loan/ conversion charges for switching

- i. All service charges viz. Upfront Fees/ processing Fees, Documentation Charges, Inspection charges etc. will be charged from the applicant as per sanction before release of credit facilities.
- i. All other event based charges like legal fees, charges for dishonor of cheques/NACH Mandate/ standing instructions, charges for drawing of Credit Information Report from Credit Information Companies like CIBIL etc., registration of charge with CERSAI in case of mortgage of property etc. will be recovered from the applicant immediately on occurring of the event.
- ii. Processing Fee paid by the Customer for availing the loan is non-refundable.

5 Repayment of loan: Loan to be repaid in Equated Monthly Installments (EMI) or as stipulated in the sanction if otherwise.

6 Security: The loan will be secured by mortgage of/ hypothecation of/ charge on assets purchased through bank funds in case of primary security and/or assets in case of collateral security, within the stipulated time period as specified in the sanction. Personal guarantee if any, will be obtained as per sanction.

7 Insurance:

- i. The borrower shall get the assets, mortgaged/ hypothecated/ charged to the bank, insured against all risks at their own cost with usual bank clause. A copy of the insurance policy will be kept on bank's records also.
- ii. In case the same is not complied with, the bank will get the same insured and cost recovered from the borrower.
- iii. The Borrower may avail health and/or life insurance cover for himself with the Bank as the sole beneficiary under the policy/ policies.

8 Disbursement:

- i.** The borrower shall submit all relevant documents as mentioned in the Sanction Letter/Loan Agreement before disbursement.
- ii.** The borrower will intimate the Bank of any change in his employment/contact details.
- iii.** The borrower will request for disbursement of the loan in writing (as per the manner prescribed by Bank).
- iv.** The payments will preferably be made directly to vendor/ seller from whom the applicant proposes to purchase the asset. Original bills/cash memos for all the assets financed by bank/ payments made by the bank shall be submitted by the borrower to be placed on bank's record.
- v.** In case of housing loan, the Loan will be released in stages as per physical progress of the project. Before actually disbursing the loan, the Branch Head must satisfy that the borrower has contributed the required margin for the loan. In case of housing loan for construction of house, payment will preferably be made directly to the suppliers.
- vi.** Before disbursement of Loan, applicant to ensure that all necessary statutory and other approvals/ permissions has been obtained.
- vii.** Loan will be utilized strictly for the purpose as per sanction. Deviation if any will be treated as non-compliance.
- viii.** Borrower to comply with all preconditions for disbursement of the loan as mentioned in the Sanctioned Letter.

9 Recovery of dues:

- i.** Customers have been explained the repayment process of the loan in respect of, tenure, periodicity, amount and mode of repayment of the loan. No notice, reminder or intimation is given to the customer regarding his/her obligation to pay the EMI/ Installment regularly on due date.
- ii.** On non-payment of EMI/ Installment by the due dates, Bank shall remind the customers by making telephone calls, sending written intimations by post and electronic medium or by making personal visits by Bank's authorized personnel at the addresses provided by the customer. Costs of such calls/ communication/ visits shall be recovered from the customer.
- iii.** Notwithstanding what is stated herein, it shall be the liability of the customer to ensure that the EMIs/ Installments are regularly paid on the due dates.
- iv.** Credit information relating to any customer's account is provided to the Credit Information Bureau (India) Limited (CIBIL) or any other licensed bureau on fortnightly basis. To avoid any adverse impact on the credit history with CIBIL, it is advised that the customer should ensure timely payment of the amount due on the loan amount.
- v.** The recovery process of enforcement of mortgage/securities, including but not limited to, taking possession and sale of the mortgaged property in accordance with the procedure prescribed under the Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (SARFAESI Act) or under any other law, is followed purely as per the directions laid down under the respective law.
- vi.** Intimation/ Reminders/ Notice(s) are given to customer prior to initiating steps for recovery of over dues, under the Negotiable Instruments Act, Civil Suit as well as under the SARFAESI Act.

10 Customer Service

Customer Service Queries including requirement of documents can be addressed to the Bank through the following channels:

- i.** Write to the branch or contact us through to Toll free number 1800-180-7777(tolled).
- ii.** Contact the branch within the working hours for:
 - a.** Photo Copies of loan documents, which can be provided in 7 working days from date of placing request. Necessary administrative fee shall be applicable.
 - b.** Original documents namely Title Deed of Property, Registration Certificate etc. Will be returned within 10 working days from the date of closure of loan.
 - c.** Loan Account statement (timeline): Within 3 working days of the receipt of request.

11 Grievance Redressal: There can be instances where the Borrower is not satisfied with the services provided. To highlight such instances & register a complaint the Borrower may follow the following process:

- a. Borrower can meet or write to the Branch Head of the concerned branch **or**
- b. The Borrower can complain to customer care through our website: www.pgb.org.in or email at punjabgraminbank@gmail.com or through Mobile Banking **or**
- c. In case the grievance remains unresolved beyond a period of 15 days, the borrower may escalate the matter to Principal Nodal Officer, Principal Nodal Officer, Punjab Gramin Bank, Head Office, Jalandhar Road, Kapurthala 144601, email– pgbiad@gmail.com.

12 General terms and conditions:

1. The sanction is valid for six months from the date of sanction. Facilities not availed within the above period shall be treated as lapsed.
2. The Bank, however, reserves the right to withdraw all or in part or any of the sanctioned loan even before the expiry of the said period of 6 months.
3. The borrower will inform the Bank for any change in his employment/contact/present and permanent address details etc.
4. The Bank shall have the right to exercise its right as provided under Sections 138-142 of the NI Act read with Section 25 of Payment and settlement Act against the borrower in case of dishonour of the ECS/NACH(debit)/ Standing Instruction (SI) mandate on account of insufficiency of funds.
5. The sanction shall be cancelled at any point of time including even after disbursement of loan in case of incorrect certification by the borrowers.
6. The loan under consideration shall be disbursed by the Bank only after acceptance and compliance with the bank's terms of sanction.
7. The Bank reserves its right to alter/amend any terms without prior reference to the party and alteration/amendment, if any shall be binding on the borrower.
8. The borrower shall submit all relevant documents as mentioned in the Sanction Letter/ Loan Agreement and execute all necessary legally enforceable loaning and security documents, as per bank guidelines prior to disbursement of the loan.
9. The borrower shall comply with all relevant guidelines of the Bank/RBI.
10. If any third-party liability arises on the bank due to wrong information/certification by the borrower, it will be the responsibility of the borrower and borrower shall indemnify the bank and its employees in case any such third-party liability arises.
11. The Borrower to submit the undertaking w.r.t to NeSL disclosure at the time of documentation as per Banks policy.
12. Borrower shall collect the original movable / immovable property documents within 15 days of full repayment / settlement of the loan account from the branch where the loan account was serviced or branch/office of the bank where the documents are available.

****The above list is illustrative and may vary on case to case basis.**