इंडियन बैंक Indian Bank
इलाहाबाद ALLAHABAD

2024 EDITION

LADDER *for* LEADERS

इमेज IMAGE

Indian Bank Management Academy for Growth & Excellence
इंडियन बैंक मैनेजमेंट एकेडमी फॉर ग्रोथ एंड एक्सीलेंस

Ladder for Leader			
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1. BUSINESS POSITION OF OUR BANK

Business Position *(Rs. in Crore)*

PARAMETER	**POSITION AS ON**			
	Year Ended		**Quarter Ended**	
	31.03.22	**31.03.23**	**30.06.23**	**30.09.23**
Deposits	593618	621166	621539	640803
Advances	415625	473586	479404	492288
Total Business	1009243	1094752	1100943	1133091
C D Ratio-%	70.02	76.24	77.13	76.82
Operating Profit	12717	15271	4135	8437
Net Profit	3945	5282	1709	3697
Gross NPAs as% to Total Advances	8.47	5.95	5.47	4.97
Net NPAs as % to Total Advances	2.27	0.90	0.70	0.60
CASA – Amt.	247926	260809	250242	257027
CASA – %	42	41.99	40.26	40.11
Cost of Deposits -%	3.97	4.09	4.60	4.75
Yield on Advances-%	7.21	7.76	8.53	8.64
Capital Adequacy Ratio-%	16.53	16.49	15.78	15.53
Of which Tier-I Capital-%	12.53	12.89	12.31	12.07
Tier-II Capital-%	3.36	3.01	2.90	2.90
Return on Assets (RoA)-%	0.63	0.77	0.95	1.01
Book Value per Share *(In Rupees)*	269.98	300.55	313.37	328.13
Net Interest Margin (Domestic)-%	2.91	3.41	3.61	3.57
Business per Employee	25.20	26.61	26.58	27.30
Earnings Per Share *(In Rupees)*	32.38	42.41	54.88	59.36
Cost to Income Ratio	46.21	44.20	44.22	44.29
Break-up of Advances (Domestic)				
Total Advances (Domestic)	395698	443921	450634	458681
Of which RAM Sector	242700	272679	276435	285891
Agriculture	88100	101937	104710	110404

Financial Results for Quarter/Half Year ended 30th September 2023

*Bank's Global Business reached **₹11.33 lakh Cr***
*Net profit up by **62% YoY**, Operating Profit up by **19% YoY***

Key Highlights (Quarter ended Sep'23 over Sep'22)

- *Net Profit up by 62% YoY at ₹1988 Cr in Sep'23 from ₹1225 Cr in Sep'22*
- *Profit Before Tax up by 75% YoY at ₹2752 Cr in Sep'23 from ₹1571 Cr in Sep'22*
- *Operating Profit for Sep'23 up by 19% YoY at ₹4303 Cr from ₹3629 Cr in Sep'22*
- *Net Interest Income increased by 23% YoY to ₹5741 Cr in Sep'23 from ₹4684 Cr in Sep'22*
- *Fee based income grew by 11% YoY to ₹805 Cr in Sep'23 from ₹723 Cr in Sep'22*
- *NIM (Domestic) increased to 3.52% in Sep'23 from 3.20% in Sep'22*
- *Return on Assets (RoA) improved to 1.06% in Sep'23 from 0.71% in Sep'22*
- *Return on Equity (RoE) improved by 607 bps to 19.90% in Sep'23 from 13.83% in Sep'22*
- *Cost-to-Income Ratio stood at 44.36% in Sep'23 as against 44.27% in Sep'22*
- *Total Business recorded a YoY growth of 10% reaching the level of ₹1133091 Cr in Sep'23 from ₹1026801 Cr in Sep'22*
- *Advances increased by 12% YoY to ₹492288 Cr in Sep'23 from ₹437941 Cr in Sep'22*
- *RAM (Retail, Agriculture & MSME) advances grew by 12% to ₹285891 Cr in Sep'23 from ₹255256 Cr in Sep'22*
- *Retail, Agri, MSME advances grew by 14%, 16% and 5% YoY respectively. RAM contribution to domestic advances is 62%.*
- *Home Loan (Including mortgage) grew by 13%, Auto Loan by 36% and Personal Loan by 49% YoY.*
- *Deposits increased by 9% YoY and reached to ₹640803 Cr in Sep'23*
- *CASA grew by 7%, driven by 8% YoY growth in SB, CASA ratio stood at 40%*
- *GNPA decreased by 233 bps YoY to 4.97% in Sep'23 from 7.30%, NNPA reduced by 90 bps to 0.60% from 1.50% in Sep'22*
- *Provision Coverage Ratio (PCR, including TWO) improved by 456 bps YoY to 95.64% from 91.08% in Sep'22*
- *Capital Adequacy Ratio stood at 15.53%, CET-I at 12.07% & Tier-I Capital at 12.63%*
- *Net Profit up by 16% QoQ to ₹1988 Cr in Sep'23 from ₹1709 Cr in Jun'23*
- *Profit Before Tax up by 15% QoQ at ₹2752 Cr in Sep'23 from ₹2394 Cr in Jun'23*

- *Operating Profit up by 4% QoQ at ₹4303 Cr in Sep’23 from ₹4135 Cr in Jun’23*
- *Net Interest Income stood at ₹5741 Cr in Sep’23 as against ₹5703 Cr in Jun’23*
- *Return on Assets (RoA) improved by 11 bps QoQ to 1.06% in Sep’23*
- *Return on Equity (RoE) improved by 202 bps QoQ to 19.90% in Sep’23*
- *Priority Sector portfolio stood at ₹164341 Cr in Sep’23. Priority sector advances as a percentage of ANBC stood at 42.83% as against the regulatory requirement of 40%*

Key Highlights (Quarter ended Sep’23 over Jun’23)

- *Net Profit up by 52% YoY to ₹3697 Cr in H1FY24 from ₹2439 Cr in H1FY23*
- *Profit Before Tax up by 76% YoY to ₹5146 Cr in H1FY24 from ₹2917 Cr in H1FY23*
- *Operating Profit increased by 17% YoY to ₹8437 Cr in H1FY24 from ₹7194 Cr*
- *Net Interest Income grew by 24% YoY to ₹11444 Cr in H1FY24 from ₹9218 Cr*
- *Net Interest Margin (NIM) Domestic increased by 42 bps YoY to 3.57% from 3.15% in H1FY23*
- *Return on Assets (RoA) improved by 29 bps to 1.01% from 0.72% in H1FY23*
- *Return on Equity (RoE) increased by 490 bps to 18.90% from 14.00% in H1FY23*
- *Cost-to-Income Ratio stood at 44.29% as against 43.14% in H1FY23*

Network:

- *The Bank has 5819 domestic branches including 3 Digital Banking Units (DBUs), out of which 1974 are Rural, 1522 are Semi-Urban, 1174 are Urban & 1149 are in Metro category. The Bank has 3 overseas branches & 1 IFSC Banking Unit (IBU).*
- *The Bank has 4866 ATMs & BNAs and 10825 Business Correspondents (BCs).*

***Digital Banking**:*

- *Mobile Banking users increased by 47% YoY.*
- *UPI users and transactions increased by 34% YoY and 65% YoY respectively.*
- *Bank has so far launched 63 Digital Journeys under its Digital Transformation Program.*
- *86% of transactions are now carried out through digital channels.*

Our Focus:

- *Indian Bank is strategically expanding the business and major thrust will be on retail, agriculture, and MSME sectors, targeting 10-12% credit growth in FY24.*

- *Embracing digital banking as our core focus, we are dedicated to fostering financial growth and prosperity for individuals and businesses across diverse sectors of society. Through constant innovation, we strive to simplify processes, enabling quick and convenient banking.*

- *For overall organizational development, Bank is promoting gender diversity, skill on boarding & grooming the employees for leadership. Our team engages with clients to provide hassle-free banking experience through wide range of products and services.*

Emerging Trends in Banking and Economy

Value of transactions:

According to statistics, it appears that the total value of transactions in the digital payments segment could reach as much as $9.46 trillion in 2023, and the full value of transactions could show an annual growth rate (CAGR 2023-2027) of 11.80%, resulting in a projected total of $14.78 trillion by 2027.

Technology spending:

Some 65% of banks expect a small increase (1%-9%) in technology spending, and another 14% expect a significant increase (10% or more). Notably, the expectation for significant increases dropped after March 9, suggesting a more cautious approach following the banking sector upheaval.

Technology employment:

While 46.3% of banks expect the number of technology employees to remain the same, another 45.1% anticipate a slight increase. However, bank failures have made respondents less optimistic about increasing tech staff.

Digital customer transactions:

More than half of bank customers still do not transact through digital channels, with the current median at 34.5%. However, this is expected to grow to 44.5% in the next 12 months, with some banks, such as Bank of America, already seeing significant digital adoption.

- **Use of Fintech Vendors:**

Cost and regulatory compliance are the main reasons why banks are reluctant to expand their use of fintech services. Despite this, there’s strong demand for these services, and banks typically have relationships with multiple vendors.

- **Hyper personalization in the banking industry**

Consumers expect highly personalized digital interactions across all industries, including banking. They benefit from the right level of service that creates loyalty by recognizing past interactions and anticipating future needs. This level of personalization will increase sales and engagement, and ultimately revenue.

Banking-as-a-service, APIs, and FinTech partnerships can move users toward highly personalized banking and financial services. Indeed, today consumers, banks and FinTech are increasingly using application programming interfaces to exchange information.

“The formula for growth sounds simple. Customers want to be provided with personalized experiences, regardless of wherever they may be on their own digital journey. The challenge, however, remains in execution,” says Nilesh Vaidya, Global Industry Head, Retail Banking and Wealth

Management, Capgemini's Financial Services Strategic Business Unit.

Such activities and interactions are bound to become the dominant trend, and banking will be embedded in other elements of everyday reality. Quick online loans available not only at the bank, self-service payments for parking use, for example, or automatically created savings bank accounts are the future that awaits us. The banking industry will develop in the direction of personalizing, offering new customers, and accompanying us with many services in an almost invisible way.

- **Artificial intelligence in the entire banking industry**

Another of the key banking technology trends we can expect to see in 2024 is the increased use of AI in banking. For example, AI-powered chatbots will become even more common, providing customers with 24/7 support and personalized recommendations.

Besides, artificial intelligence is increasingly applicable to banking, primarily due to its ability to process large amounts of data and make quick decisions.

The technology can also help banks improve fraud detection and reduce financial crime risk. For example, with machine learning, banking systems and apps can analyze real-time transaction data and automatically trigger alerts or block suspicious transactions if suspicious activity is detected.

Another example of an AI application is credit risk analysis. Thanks to AI-based systems, banks can quickly and accurately assess customers' creditworthiness and determine the level of risk involved in their loans or extending credit.

AI can also help optimize business processes in banking. By automating processes, banks can save time and resources by reducing costs and increasing the efficiency of their operations.

AI is, thus, undoubtedly a banking technology trend. It can bring many benefits to both banks and customers. With AI, banks and other financial institutions can make more accurate decisions and provide better customer service.

- **Open banking**

Another one is closely related to the above two trends in the entire banking industry, namely open banking and open X.

In the not-too-distant future, we are facing an evolution of the financial market on a scale we had not previously anticipated. Open Banking is one part of this broad landscape. Open banking refers to sharing customer data between banks and other financial institutions, such as bank accounts, transactions made, choosing banking products, and other financial information with third-party providers.

Open interfaces (open APIs), in turn, are increasingly being made available to third parties – to offer more access and modern services to their users and consumers, banks are increasingly partnering with FinTechs, specialized technology companies.

This is because financial institutions need to start making advanced services available to customers, for example, real-time management of personal finances on a single platform for all accounts held by the customer across all banks.

It is important to remember that customer satisfaction currently plays a crucial role in the e-banking market, and the rise in end-user expectations is a challenge for the financial and banking industry. Significantly, this trend will remain the same in future as it increases with the development of FinTech. Capgemini data shows that as many as 75% of customers appreciate and enjoy their experiences and interactions with FinTech organizations.

With customers today able to switch banking providers at the click of a mouse, banks should make greater use of data and AI to customize customer experiences, create stronger relationships and maximize customer value.

- **Security and legacy systems as a trend in banking in 2024**

Security is and will be one of the key trends in banking in 2024 As more and more financial services move into the digital world, the risk of cyberattacks becomes greater. Therefore, banks must invest in better security to protect their assets and customers and prevent fraud.

An essential element of security is transaction authorization. In 2024, we expect further development of biometric technologies, such as facial recognition and iris scanning, to replace traditional passwords and PINs.

In addition, banks will use increasingly sophisticated analytical tools to detect suspicious activity and enhance anti-fraud efforts. They will also work to protect customer data privacy and comply with data protection regulations.

This should also be considered in the context of the aforementioned low-code platforms and software development for the finance sector. In addition, security and regulatory compliance should be a priority in the software development process.

In 2024, banks will also emphasize educating customers on how to use banking services safely. Awareness campaigns and training can be practical tools here to help customers understand how to protect their data and avoid fraud.

Forecast for India’s economic growth in FY24

As per the Article IV Consultation report is based on International Monetary Fund bilateral discussions with the Indian authorities. As per the report, for India’s economic growth is expected to moderate to 6.1% in FY24 from 6.8% estimated for the current fiscal because of high oil prices, weaker external demand, and tighter financial conditions. IMF cautioned that the emergence of a more contagious coronavirus variant could impact trade and growth further.

What is the expected economic growth of India in 2023-24 as per World Bank?

In its report titled Global Economic Prospects, the World Bank said that India will be fastest-growing economy among seven largest emerging markets and developing economies. As per the report, India’s economic growth will slow to 6.6% in the next fiscal year from an expected 6.9% growth in the current year.

Category of the direct tax that mopped up the highest collection

As per Finance Ministry’s data, India’s net direct tax collections stood at ₹12.31 lakh crore as on January 10, at almost 87% of the target for 2022-23. Between April 1, 2022 and January 10, 2023, the government’s gross direct tax collections stood at Rs 14.71 lakh crore. Out of that, Rs 7.2 lakh crore is corporate tax and Rs 7 lakh crore is personal income tax.

India’s fourth-largest trading partner due to India’s higher imports of crude oil and fertilisers

Russia has become India's fourth-largest trading partner with imports from the country spiking five-fold to USD 32.9 billion during the April-December period. There are two main contributors to India's higher imports from Russia which are crude oil and fertilisers. India's fertiliser imports from Russia rose to 371 per cent to a record 2.15 million tonnes in the first 6 months of the year.

- **Blocking of funds facility introduced for trading in secondary markets**

Capital markets regulator SEBI proposed to introduce a blocking of funds facility for trading in secondary markets. This move is aimed at safeguarding investors' money from misuse and default by stock brokers. This is similar to Application Supported by Blocked Amount (ASBA)-like facility already available for the primary market. This move eliminates the need to transfer funds to stock broker.

- **As per the Union Budget 2023, the per capita income in India**

Union finance minister Ms. Nirmala Sitharaman said in her Budget speech that the per capita income in India has more than doubled to ₹1.97 lakh over the past nine years. The EPFO membership has more than doubled to 27 crore. She also announced that the government made cash transfer of ₹2.2 lakh crore under the PM-KISAN scheme.

- **'TReDS'**

The Trade Receivable Discounting System (TReDS) is an electronic platform that facilitates the financing or discounting, trading and settling invoices of the MSMEs. The Reserve Bank of India (RBI) has decided to expand the scope of the TReDS to allow the use of insurance facilities.

This will facilitate secondary market operations on the TReDS.

- **Regulatory measures on climate risks and sustainable finance released**

The Reserve bank of India (RBI) has recently announced regulatory measures on climate risks and sustainable finance. The new guidelines focused on creating a broad framework for promoting the acceptance of green deposits, a disclosure framework on financial risks associated with the climate crisis and guidelines for climate scenario analysis and stress testing.

- **ONDC Academy the learning academy for merchants**

The Open Network for Digital Commerce (ONDC), the government-backed e-commerce protocol, launched a repository of online training material for merchants called the ONDC Academy. ONDC, which was funded initially by banks, has been conceived as a counterweight against large e-retail, quick commerce and ride-hailing firms. The repository is stored on an ONDC website as well as on YouTube, with assistance from the National Stock Exchange.

- **RBI keen to use AI and ML to improve regulatory supervision**

The Reserve Bank of India has planned to work with global consultancy firms in order to improve regulatory supervision over banks and NBFCs. The central bank has selected *McKinsey and Company India and Accenture Solutions*

India to develop systems that use artificial intelligence and machine learning for supervisory functions.

- **Expected per capita income of Indian in FY47**

The report by State Bank of India Research stated that weighted mean income increased to Rs. 13 lakhs in assessment year 2022-23 (financial year 2021-22) and is expected to increase to Rs. 49.7 lakh in 2047. It cited a transition from lower income group to upper income group along with a rise in the number of tax filers who were earlier not reporting income.

- **MD & CEO of South Indian Bank**

The Reserve Bank of India has approved the appointment of P. R. Seshadri as the Managing Director and CEO of the Thrissur based South Indian Bank. The appointment will be for a period of three years with effect from October 1. He has served as MD & CEO of The Karur Vysya Bank Limited (KVB), MD & Regional Sales and Distribution Head, Citibank and other positions.

- **RBI's Public Tech Platform for Frictionless Credit (PTPFC) platform**

Axis Bank has announced the introduction of two lending products to small business customers which will be processed through Pilot for Public Tech Platform for Frictionless Credit (PTPFC) platform. PTPFC was announced by the Reserve Bank of India (RBI) to facilitate quick appraisal and disbursal of credit. The two products announced by the Axis Bank are Kisan Credit Card (KCC) and unsecured MSME loans.

‘UDGAM’

The Reserve Bank of India (RBI) launched a Centralised Web Portal UDGAM (Unclaimed Deposits – Gateway to Access information). The launch of the web portal will aid users to identify their unclaimed deposits/ accounts and enable them to either claim the deposit amount or make their deposit accounts operative at their respective banks.

Head of the committee set up to ‘Onshoring the Indian Innovation to GIFT IFSC’

A ‘Committee of Experts to ‘Onshoring the Indian Innovation to GIFT IFSC’ constituted by International Financial Services Centres Authority (IFSCA) submitted its report to Chairperson, IFSCA. The committee was chaired by *G. Padmanabhan*, Former Executive Director, RBI. The committee members comprised representatives from leading Venture Capital funds, Startups, Fintechs, Law firms, Tax firms and other domain experts.

‘ALT ID’ solution for guest checkout transactions

Mastercard, technology company in the payments industry, has launched ALT ID solution for guest checkout transactions. ALT ID is a custom-made capability to create an alternate identifier for the real card numbers provided by cardholders during guest checkout transactions on e-commerce platforms.

Online allotment of safe deposit locker facility introduced by IOB

Indian Overseas Bank (IOB) has announced an online allotment of safe deposit locker facility for its customers and non-customers. The new facility can be accessed online just by logging into the bank’s portal. The bank’s customers and non-customers can avail the locker facility without physically visiting a branch, as per the public sector lender.

‘Indus Appstore’

PhonePe announced the launch of Indus Appstore developer platform, as a *Made-in-India app store*. At present, the app developers work with only the Google Playstore. For startups and new app launches, Indus Appstore will have a dedicated destination called ‘Launch Pad’ to provide these new apps with better visibility.

11th fund manager to manage retirement savings under NPS selected by PFRDA

The Pension Fund Regulatory and Development Authority (PFRDA) has selected *DSP Pension Fund Managers* as the 11th fund manager permitted to manage retirement savings under the National Pension System (NPS). PFRDA is looking to tap regional rural banks (RRBs) to enhance its reach to citizens across the country.

‘Guidance’

‘Guidance’, the nodal agency for investment promotion of Tamil Nadu, has received the United Nations Promotion Award 2023. It was awarded for Excellence in Scaling Up Energy Transition Investments at the 8th World Investment Forum held at Abu Dhabi, United Arab Emirates.

- **Union Government plans to borrow through green bonds**

  The RBI has issued a notification allowing NRIs to invest, without any restrictions, in the Government's Sovereign Green Bonds issued for 2023-24. The government plans to borrow Rs 20,000 crore through green bonds in the current financial year. Examples of green projects include renewable energy, clean transportation and green buildings.

- **Reserve Bank of India (RBI) enhanced the UPI payment limits for healthcare and education**

  Reserve Bank of India (RBI) enhanced the UPI payment limits for healthcare and education to **₹5 lakhs** from ₹1 lakh. The transaction limits for *e-Mandates* have been hiked from ₹15,000 to **₹1 lakh**. This is likely to help consumers make recurring payments for mutual funds, insurance premium and credit cards.

General Banking

Introduction

The Reserve Bank of India introduced KYC guidelines for banks in 2002. Know Your Customer (KYC) is the mandatory process of identifying and verifying the customer's identity when opening an account and periodically, over time. The KYC process is also a legal requirement intended as an anti-money laundering (AML) measure. The objective of this is to prevent the Bank from being used, intentionally or unintentionally, by criminal elements for money laundering or terrorist financing activities. KYC policies require "reasonable due diligence" to know (and retain) the essential facts concerning every customer.

1. Importance of KYC

KYC procedures involve all the necessary actions to ensure their customers are real, assess, and monitor risks. These client-on boarding processes help prevent and identify money laundering, terrorism financing, and other illegal corruption schemes. KYC process includes ID card verification, face verification, document verification such as utility bills as proof of address, and biometric verification. Our Bank must comply with **KYC regulations** and anti-money laundering regulations to limit fraud. **KYC compliance** responsibility rests with the bank branches. In case of failure to comply, **heavy penalties** can be applied.

2. Few Important Definitions

a) **Know Your Client (KYC) Identifier:** Unique number or code assigned to a Central KYC Records Registry.
b) **Digital KYC:** Capturing live photo of the customer and officially valid document or the proof of possession of Aadhaar, where offline verification cannot be carried out, along with the latitude and longitude of the location where such live photo is being taken by an authorized officer.
c) **Equivalent e-document:** An electronic equivalent of a document issued by the issuing authority of such document with its valid digital signature including documents issued to the digital locker account of the customer.

d) **Regulated Entities (REs):** All Scheduled Commercial Banks (SCBs)/Regional Rural Banks (RRBs)/Local Area Banks (LABs)/All Primary (Urban) Co-operative Banks (UCBs)/State and Central Co-operative Banks(StCBs/CCBs)/ All India Financial Institutions (AIFIs) / NBFCs / All Payment System Providers (PSPs)/System Participants (SPs) and Prepaid Payment Instrument Issuers (PPI Issuers) /All authorized persons (APs) including those who are agents of Money Transfer Service Scheme(MTSS), regulated by the Regulator.

e) **Politically Exposed Persons (PEPs):**

f) Individuals who are or have been entrusted with prominent public functions in a foreign country, e.g., Heads of States / Governments, senior politicians, senior government / judicial / military officers, senior executives of state-owned corporations, important political party officials.

g) **Principal Officer:** An officer nominated by the RE, responsible for furnishing information as per rule 8 of the PML Act and the Rules. In our Bank, the General Manager overseeing the functions of KYC / AML / CFT is nominated as the Principal Officer.
   - Responsible for monitoring and reporting of all transactions and sharing of information as required under the law.
   - Will maintain close liaison with enforcement agencies, banks and any other institution which are involved in the fight against money laundering and combating financing of terrorism.
   - Responsible for timely submission of CTR, STR and reporting of counterfeit notes and all transactions involving receipts by non-profit organizations of value more than Rupees 10.00 Lakh or its equivalent in foreign currency to FIU-IND.

h) **The Central KYC Registry (CKYCR)**: A registry that serves as a central record for KYC information of all the customers of financial institutions. In India, the Central Registry of Securitization Asset Reconstruction and Security Interest of India(CERSAI)has been Authorized to carry out the functions of CKYCR.

i) **Electronic Know Your Customer (e-KYC)**: Involves the use of internet or digital means of identity verification.

j) **Designated Director:** Bank is required to nominate a

Director on their Boards as "Designated Director", as per the provisions of the Prevention of Money Laundering (Maintenance of Records) Rules, 2005 (Rules), to ensure overall compliance with the obligations under the Act and Rules. The name, designation and address of the Designated Director is to be communicated to the Director, Financial Intelligence Unit - India (FIU-IND). In our Bank, the Executive Director who is overseeing the functions of KYC / AML / CFT is nominated as Designated Director.

k) **Shell Banks:** Shell bank means a bank that has no physical presence in the country in which it is incorporated and licensed, and which is unaffiliated with a regulated financial group that is subject to effective consolidated supervision.

l) **Correspondent Banking:** Banks shall ensure that prior approval of the senior management is obtained for establishing new correspondent banking relationships.

4. Officially Valid Document (OVD)

a) The Passport,

b) The Driving License,
   - CDD to be done even during Re-KYC /Amendment of CIF through https://parivahan.gov.in
   - Confirmation of the above to be documented.

c) Proof of possession of Aadhaar number,

d) The Voter's Identity Car disused by the Election Commission of India
   - CDD to be done even during Re-KYC /Amendment of CIF through https://electoralsearch.in
   - Confirmation of the above to be documented

e) Job card issued by NREGA duly signed by an officer of the State Government,

f) Letter issued by the National Population Register containing details of name and address.
   - If the OVD furnished by the customer does not have updated address, the following documents or the equivalent e-documents thereof shall be deemed to be OVDs for the limited purpose of proof of address:
   - Utility bill which is not more than two months old of any service provider(electricity,telephone,post-paid mobile phone, piped gas, water bill).

- Property or Municipal tax receipt.
- Pension or family pension payment orders (PPOs) issued to retired Employees by Government Departments or Public Sector Undertakings, if they contain the address.
- Letter of allotment of accommodation from employer issued by State Government or Central Government Departments, statutory or regulatory bodies, public sector undertakings, scheduled commercial banks, financial institutions and listed companies and leave and license agreements with such employers allotting official accommodation.
- The customer shall submit OVD with current address within a period of three months of submitting the documents specified as above.
- If the OVD presented by a foreign national does not contain the details of address, in such case the documents issued by the Government departments of foreign jurisdictions and letter issued by the Foreign Embassy or Mission in India shall be accepted as Proof of Address.
- A document shall be deemed to be an OVD even if there is a change in the name subsequent to its issuance provided it is supported by a marriage certificate issued by the State Government or Gazette notification, indicating such a change of name.
- Where Passport and Driving license is taken as OVD, expiry date should be captured in CBS system.

5. Key Elements of KYC

Customer Acceptance Policy	a) No account is opened in anonymous or fictitious/benami name(s). b)For the purpose of risk categorization, individuals(other than High Net Worth)and entities whose identities and sources of wealth can be easily identified and transactions in whose accounts by and large conform to the known profile, may be categorized as low risk. c) No account is opened where the Bank is unable to apply appropriate CDD (Customer Due Diligence) measures, either due to non-

	cooperation of the customer or non-reliability of the documents / information furnished by the customer. d) Not to open an account or close an existing account where the bank is unable to apply appropriate customer due diligence measures. e) Customer Due Diligence (CDD) of all the members of SHG may be undertaken at the time of credit linking of SHGs. ➢ CDD of all the members of SHG shall not be required while opening the savings bank account of the SHG. ➢ CDD of all the office bearers shall suffice. ➢ Customer Due Diligence (CDD) of all the members of SHG may be undertaken at the time of credit linking of SHGs. f) Where RE is suspicious of money laundering or terrorist financing, and it reasonably believes that performing the CDD process will tip-off the customer, it shall not pursue the CDD process, and instead file an STR.
Customer Identification Procedures	a) Data collection, identification, verification, politically exposed person / sanctions list check. b) Customer identification means identifying the customer and verifying his / her identity by using reliable, independent source documents, data or information. c) A system of periodical updation of customer identification data (including photograph/s) after the account is opened should be done. d) Carrying out transactions for a non-account-based customer, that is a walk-in customer, where the amount involved is equal to or exceeds rupees fifty thousand, whether conducted as a single transaction or several transactions that appear to be connected.

Monitoring of Transactions	a)Bank shall undertake on-going due diligence of customers to ensure that their transactions are consistent with their knowledge about the customers, customer's business and risk profile, and the source of funds. b) Monitoring of transactions shall be strictly adhered to, in order to minimize the operations of "Money Mules" which are used to launder the proceeds of fraud schemes (e.g., phishing and identity theft) by criminals who gain illegal access to deposit accounts by recruiting third parties which act as "money mules." If it is established that an account opened and operated is that of a Money Mule, it shall be deemed that the bank has not complied with these directions.
Risk Management	a) Due diligence is part of the KYC process. b) Customers shall be categorized as low, medium and high-risk category, based on the assessment and risk perception of the Bank. c) Risk categorization should be based on parameters such as customer's identity, social / financial status, nature of business activity, and information about the clients' business and their location etc. While considering customer's identity, the ability to confirm identity documents through online or other services offered by issuing authorities may also be factored in.

6.Customer Due Diligence Procedure

a) CDD measures for Individuals. (Accounts opened through OTP based e-KYC in non-face to face mode, through V-CIP)
b) CDD measures for Sole Proprietary Firms.
c) CDD measures for Legal Entities.
d) Identification of Beneficial Owner
e) Ongoing Due Diligence

- REs can obtain KYC Identifier with explicit customer consent to download KYC records from CKYCR, for the purpose of CDD.

(A separate lesson on CDD is available under 'P&D'Section. Please refer to this lesson for more details).

7. Periodic Updation

a) Periodic updation shall be carried out at least once in every two years for high-risk customers, once in every eight years for medium risk customers and once in every ten years for low-risk customers from the date of opening of the account/last KYC Updation.

b) For "High" Risk Customers, Branches are required to capture the Enhanced Due Diligence (EDD) measure/s in CBS.

c) HNI identification process will be reviewed on half yearly basis and accordingly reports will be pushed to the branches/ offices where the details of HNI customers will be mentioned. Moreover, HNI customers will be classified as "High"risk customers in line with FIU-IND direction.

d) In case of Individual Customers:

- When there is no change in status with respect to their identities and addresses, a self-certification to that effect shall be obtained.
- When there is change in address only, branches may obtain a copy of OVD for the purpose of proof of address.
- In case of customers for whom account was opened when they were minor, fresh KYC shall be obtained on their becoming a major and it is to be ensured that the current CDD standard share available with the branches.

e) In case of Legal Entities (LE):

- When there is no change in KYC information, a self-declaration in this regard shall be obtained from the LE customer. Beneficial Ownership (BO) information shall be updated and kept up-to-date.
- When there is a change in KYC information branches should undertake the KYC process equivalent to that applicable for on-boarding a new LE customer.

f) Bank may not insist on the physical presence of the customer for the purpose of furnishing OVD or furnishing consent for Aadhaar authentication/Offline Verification unless there are sufficient reasons that physical presence of the account holder/holders is required to establish their bona-fides. Normally,OVDConsent forwarded by the customer through registered e-mail / post, etc., shall be acceptable

g) Banks should ensure that during periodic updation, the Customers are migrated to the current CDD standard.

h) Aadhaar OTP based e-KYC in non-face to face mode has been permitted to be used for periodic updation. Declaration of current address, if the current address is different from the address in Aadhaar, shall not require positive confirmation in this case. REs shall, however, ensure that the mobile number for Aadhaar authentication is same as the one available with them in the customer's profile, in order to prevent any fraud.

i) REs shall advise the customers that in order to comply with the PML Rules, in case of any update in the documents customers shall submit to the REs the update of such documents within 30 days of the update done documents for the purpose of updating the records at REs' end.

j) Customers can complete their Re-KYC process by sending mail to a particular mail ID (rekyc@indianbank.co.in) without the need of visiting the branch in case there is no change in KYC details.

k) Customer should fill in below mentioned format in the place for subject of the mail itself and there is no need to enter anything in the body of the mail

Format: REKYC<space>NOCHANGE<space>CIF number

Presently, this facility will be working only for those customers whose risk categorization is either "Low" or "Medium" as per Bank's internal rating which is confidential and no "tipping off" is allowed.

l) Re-KYC process can now be completed through SMS by which customers would be able to complete Re-KYC without the need of visiting the branch in case there is no change.

m)Customers whose mobile number are registered with the Bank, would be able to send SMS from their registered mobile number to Bank's dedicated number- 9677633000 as per the following format:

REKYC<space>NOCHANGE<space>CIF number

n) Presently, this facility will be working only for those customers whose risk categorization is either "Low" or "Medium" as per Bank's internal rating which is confidential and no "tipping off" is allowed.

8. Record Management

a) All necessary records of transactions between the Bank and the customer, both domestic and international to be maintained for at least five years from the date of transaction.
b) The records pertaining to the identification of the customers and their addresses obtained while opening the account and during the course of business relationship to be preserved for at least five years after the business relationship are ended.
c) The identified records and transaction data to be made available to the competent authorities upon request.
d) Record Management' such that the expressions "records pertaining to the identification", "identification records", etc., shall include updated records of the identification data, account files, business correspondence and results of any analysis undertaken.
e) Customers who are non-profit organizations, the details of such customers are registered on the DARPAN Portal of NITI Aayog. If such customers are not registered, RE shall register the details on the DARPAN Portal. REs shall also maintain such registration records for a period of five years after the business relationship between the customer and the RE has ended or the account has been closed, whichever is later.

9. Few Instructions

a) Secrecy regarding the customer information which arises out of the contractual relationship between the banker and customer to be maintained.
b) Government of India has authorized the Central Registry of Securitization Asset Reconstruction and Security Interest of India (CERSAI), to act as, and to perform the functions of the CKYCR. Banks shall capture customer's KYC records and upload onto CKYCR within 10 days of commencement of an account-based relationship with the customer.
c) Bank shall upload KYC records pertaining to accounts of

Legal Entities opened on or after April 1, 2021, with CKYCR. The KYC records have to be uploaded as per the Legal Entity Template released by CERSAI.

d) Bank shall ensure that during periodic updation, the customers are migrated to the current CDD standard.
e) Any remittance of funds by way of demand draft, mail / telegraphic transfer /NEFT / IMPS or any other mode and issue of travelers' cheques for value of rupees fifty thousand and above shall be affected by debit to the customer's account or against cheques and not against cash payment. Further, the name of the purchaser shall be incorporated on the face of the demand draft, pay order, banker's cheque, etc., by the issuing bank.
f) Form 60 shall be obtained from persons who do not have PAN or equivalent e-document thereof.
g) TheKYCdocumentsofthecustomeraspperthecurrentCDDstandardsshouldbeavailablewiththe branches. If there is no change in customer information but the documents available with the Bank are not as per the current CDD standards or if the validity of the CDD documents available with the branches has expired at the time of periodic updation of KYC, branches should undertake the KYC processes equivalent to the applicable for on-boarding a new customer.
h) Customer's PAN details, if available, should be verified from the data base of NSDL at the time of periodic updation of KYC.
i) During periodic updation, an acknowledgment should be provided to the customer mentioning the date of receipt / updation of the KYC documents including self-declaration from the customer.

Amendment of KYC:

1. Identification of Beneficial Owner

a) The threshold for "Controlling ownership interest" for the purpose of determination of Beneficial Owner (BO) has been revised to 10 percent for both companies and trusts from earlier threshold of 25 percent and 15 percent, respectively.

b) Exemption from identification of BO: The exemption from BO identification has been aligned with that provided in the PML Rules, 2005, such that where the customer or the owner of the controlling interest is (i) an entity listed on a stock exchange in India, or (ii) is an entity resident in jurisdictions notified by the Central Government and listed on stock exchanges in such jurisdictions, or (iii) is a subsidiary of such listed entities; it is not necessary to identify and verify the identity of any shareholder or beneficial owner of such an entity.

2.**CDD measures in case of certain categories of non-individual Customers:**

A. For a Proprietary Firm (Customer tier type 020601)

I. Registration certificate including Udyam Registration certificate (URC)

II. Certificate/ license issued under shop and Establishment Act.

III. Sales and income tax returns.

IV. CST/VAT/ GST certificate (provisional/final)

V. Certificate/registration document issued by Sales Tax/Service Tax/Professional Tax authorities

VI. IEC (Importer Exporter Code) issued by the office of DGFT or License/certificate of practice issued by any professional body incorporated under a statute.

VII. Complete Income Tax Return duly authenticated/acknowledged by the Income Tax authorities

VIII. Utility bills such as electricity, water, landline telephone bills etc.

IX. For completion of CDD, any 2 of the above must be "Y". If CDD is completed, Contact Point Verification will not be necessary.

X. For opening account of a Proprietary Firm, either CDD or Contact Point Verification-CPV must be completed.

B. For a Company, (Customer tier types 02140102, 02140103, 02140104, 02140106, 02140107, 02140108, 021401, 021402, 02140112, 02140114, 02040101, 02040102, 020402, 020403, 020501, 020502, 021301, 02130202, 02130203, 02130206, 02130207, 0214, 021501, 0232, 022201, 022202, 0220, 022606)

I. Certificate of incorporation

II. Memorandum and Articles of Association.

III. Permanent Account Number of the company

IV. A resolution from the Board of Directors and power of attorney granted to its managers, officers or employees to transact on its behalf

V. Documents, as specified in section 16, relating to beneficial owner, the managers, officers or employee, holding an attorney to transact on company's behalf

VI. The name of relevant person holding senior management position.

VII. Is the Address of the registered office and the principal place of its business are different

VIII. For completion of CDD, ALL of the above except XV must be "Y".

If XV is "Y" system will give popup "Please ensure to record both addresses.

C. For a Partnership firm. (Customer tier type 020602/ 023802)

I. Registration certificate
II. Partnership deed
III. PAN of the partnership firm
IV. Documents, as specified in section 16, relating to beneficial owner, the managers, officers or employee, holding an attorney to transact on company's behalf
V. The Name of all the partners
VI. Is the Address of the registered office and the principal place of its business is different
VII .For completion of CDD in Registered Partnership firm, ALL of the above except XXI is required to be "Y". If XXI is "Y" system gives popup "Please ensure to record both addresses"
VIII. For completion of CDD in Unregistered Partnership firm, ALL of the above except XVI and XXI must be "Y". If XXI is "Y" system will give popup "Please ensure to record both addresses"

D. For a Trust(Customer tier type 0208,023501,023801)

I. Registration certificate
II. Trust deed
III. PAN or Form No.60 of the trust
IV. Documents, as specified in section 16, relating to beneficial owner, the managers, officers or employee, holding an attorney to transact on company's behalf
V. The name of beneficiaries, trustees, settlor and authors of the trust.
VI. The Address of the registered office of the trust.
VII. List of trustees and document, as specified in section 16, for those discharging the role as trustee and authorized to transact on behalf of the trust.
VIII. For completion of CDD, ALL of the above must be "Y"

E. For an unincorporated association or a body of individuals. (Customer tier types 021705, 0207, 0209, 0210, 0211,

02130201, 02130204, 02130205, 0216, 0217, 03, 021701, 021702, 021703, 0224)

I. Resolution of the managing body of such association or body of individuals
II. PAN or Form No. 60 of the unincorporated association or a body of individuals
III. Power of attorney granted to transact on its behalf
IV. Documents relating to beneficial owner, managers, officers or employees, as the case may be, holding an attorney to transact on its behalf
V. Such information as may be required by the RE to collectively establish the legal existence of such an association or body of individuals
VI For completion of CDD, ALL of the above must be "Y"

F. For a juridical person, (Societies, Universities and Local bodies like village panchayats) (Customer tier types 023601, 02140105, 02140115, 022901, 022902, 023602, 0225, 02140111, 02140113,020101, 020102, 02010301, 02010302, 020201, 020202, 020301, 020302, 020603, 0212, 021502, 0230, 0233, 0234, 0235, 023502, 023503, 0219, 022607, 02130101, 023701, 021704, 0221, 22600)

I. Document showing name of the person authorized to act on behalf of the entity
II. Documents of the person holding an attorney to transact on its behalf
III. Such documents as may be required by the RE to establish the legal existence of such an entity/juridical person
IV For completion of CDD, ALL of the above must be "Y"

- For capturing of documents and information of sole proprietary firms and other Legal Entities, a separate option has been introduced in CBS for Customer Due Diligence(CDD) under the menu –

Customer Management ---> Amend ---> Customer Details ---> Option 22-CDD

3. Requirements/obligations under International Agreements Communications from International Agencies.

a) Section 51 has been amended to stipulate that the UNSC Sanctions Lists and lists as available in the Schedules to the

Prevention and Suppression of Terrorism (Implementation of Security Council Resolutions) Order, 2007, shall be verified on a daily basis and any modifications to the lists in terms of additions, deletions or other changes shall be taken into account by the REs for meticulous compliance.

b) "Procedure for Implementation of Section 12A of the Weapons of Mass Destruction (WMD) and their Delivery Systems (Prohibition of Unlawful Activities) Act, 2005 (WMD Act, 2005)", have been inserted for meticulous compliance by the REs."

4.**Introduction of new technologies:**

- Instructions have been amended to ensure that REs identify and assess the ML/TF risks that may arise in relation to the development of new products and new business practices, including new delivery mechanisms and the use of new or developing technologies for both new and pre-existing products.
- For ongoing due diligence, REs may consider adopting appropriate innovations including artificial intelligence and machine learning (AI & ML) to support effective monitoring.
- A new Section 54A has been introduced requiring REs to leverage latest technological innovations and tools for effective implementation of name screening to meet the sanctions requirements.

5. **Enhanced due diligence (non-face to face customer on boarding):**

- RE shall verify the current address through positive confirmation before allowing operations in the account, PAN shall be obtained from the customer andshall be verified, customers shall be categorized as high-risk customers and accounts opened in non-face to face mode shall be subjected to enhanced monitoring until the identity of the customer is verified in face-to-face manner or through V-CIP, etc.

- Video based Customer Identification Process (V-CIP):
  The validity of Aadhaar XML file / Aadhaar Secure QR Code and to undertake the video process has been amended to 'three working days.

6. **CKYCR:**

- Documents obtain during Re-KYC have to be invariably upload in the portal for obtaining CKYCR.
- Images of Proof of Identity (POI), Proof of Address (POA), Photo & Signature for individual customers through CAPC

portal and POI & POA for non-personal customers through in house CKYC portal at the time of periodic updation of KYC (Re-KYC) for generation of CKYCR ID.

- A report is being pushed in CDC report on daily basis containing the list of CIFs in which Re-KYC has been completed and eligible for uploading KYC documents for generation of CKYCR ID.
  "Report Name - Periodic updation of KYC DD/MM/YYYY"
- KYC documents downloaded from the CKYCR, but whose validity has lapsed, are not used for KYC purpose by downloading REs.

7. **KYC Compliance in Small Savings Schemes:**

- ✓ In case of new accounts, Aadhaar and PAN to be collected mandatorily, updated in CBS & records to be preserved.
- ✓ Aadhaar Number and PAN to be updated in all existing in Small Savings Schemes accounts.
- ✓ Customer may not get the tax benefit applicable to these schemes in absence of Aadhaar Number and PAN in existing accounts.

8. The requirement to allot UCIC to customers has been extended to all REs.

9. Consequent upon the transfer of charge, the Central [designated] Nodal Officer for the UAPA is the Additional Secretary (CTCR), Ministry of Home Affairs in place of the Joint Secretary.

BANKINGREGULATIONACT1949

- **Section: 5a** Approved Securities, means securities authorised by Central Govt.under clause (b) of section 20 of Indian Trust Act, 1882 or securities in which a trustee may invest under clause (a), (b), (bb) or (d) of section 20 of Indian TrustAct,1882
- **Section: 5b** Banking: Banking means accepting for the purpose of lending or investment of deposits of money from public, repayable on demand or otherwise and withdrawable by cheque, draft order or otherwise.
- **Section:5c** Banking Company
- **Section:5e** Transact Banking Business in India
- **Section:5f** Demand and Time Liabilities
- **Section:5n** Secured loan or advances
- **Section:6-1** Banking business
- **Section:6-2** Restriction on business
- **Section:7** Use of Word 'Banking'
- **Section:8** Restrictions on business of trading of goods except realization of securities held by it
- **Section:9** Immovable property-prohibition for Bank

Banking Regulation Act, 1949 was amended by the Indian Parliament in 2020with the passage of Banking Regulation (Amendment) Act, 2020. The amended Act is applicable to Rural Co-operative Banks from 01 April2021.

As per the amended Section 9 of the BR Act, 1949- 'Disposal of non-banking assets' mandates that no banking company shall hold any immovable property howsoever acquired, except such as is required for its own use, for any period exceeding seven years from the acquisition thereof. Provided that the banking company may, within the period of seven years as aforesaid deal or trade in any such property for the purpose of facilitating the disposal thereof. Further, the RBI may in any particular case extend the aforesaid period of seven years by such period not exceeding five years where it is satisfied that such extension would be in the interests of the depositors of the banking company.

- **Section:10** Management(period of office for Chairman& Directors)
- **Section:11&12:** paid up capital, reserves and rules:

  In case of banking company incorporated outside India, the paid up capital and reserve shall not be less than Rs 15 lakhs. If it has a place of business in Mumbai or Kolkata or both, then it is Rs 20 lakhs. The company shall keep this amount with the RBI in the form of cash or in the form of unencumbered approved securities an amount, which shall not be less than this minimum amount. Further an amount at the rate of 20% of its profit for a year in respect of business transacted through its Indian Branches shall also be kept with the RBI in the form of cash or in the form of unencumbered approved securities. The Central Govt may, on the basis of the recommendations of the RBI, give exemption having regard to the adequacy of the amount already deposited.

- **Section:13** Commissions/Brokerage
- **Section:14/14A** Prohibits a banking company from creating a charge upon any unpaid capital of a company
- **Section : 15** Prohibits payment of dividend by any bank until all of its capitalized expenses have been completely written off
- **Section:17-1:**To create reserve fund and 20% of the profits should be transferred to this fund before any dividend is declared.
- **Section:18** Cash reserve for non-scheduled banks.
- **Section:19** Permits banks to form subsidiary company for certain purposes
- **Section:19-2**No banking company shall hold shares in any company,30%of its own paid up share capital + reserves or 30% of the paid-up share capital of the company whichever is less.
- **Section:20** Banks cannot grant loan against security of their own shares
- **Section: 21** Control over advances by RBI: The RBI may, in the interest of the public or depositors, determine the policy in relation to advances. This may pertain to banking companies in general or a particular banking company. The RBI may give directions with regard to:

    1. The purpose for which advance may be or may not be made;
    2. Margin to be maintained on secured advances;
    3. The maximum advance and guarantee that may be given
    4. The rate of interest and other terms and conditions of advances

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- **Section: 21A** Rate of Interest: Rate of interest charged by banks are not subject to scrutiny by courts on ground of being excessive.
- **Section:22** Licensing of banking companies: A Company cannot carry on banking business unless it holds the license issued by

RBI. Before granting license, the following conditions are to be satisfied.

- The company will be in a position to pay its present and future claims of depositors.
- The affairs of the company will not be conducted in a manner detrimental to the interest of the depositors.
- The company has adequate capital structure and earning prospects.
- Public interest will be served by grant of license.

- Cancellation of license to carry on banking business by Govt. of India/ RBI will also come under Section22.
- Under provisions of the amendment bill, 2005 Multi-state Co-operative Societies doing banking business will also come under the control of RB Act as also RBI.Under36AAA RBI can supersede the Board for a period upto 5 years.
- In case of a company incorporated outside India, it should be satisfied that the carrying on of banking business by such company in India will be in the public interest and that the Government or law of the country does not discriminate in any way against the company registered in India and the company complies with all the provisions of the Act applicable to banking companies incorporated outside India.

- **Section:23** Branch Licensing: Without the prior permission of the RBI,a banking company shall not open a new place of business in India. Similarly the location of the existing place of business shall not also be changed. However, change of location within the same city, town or village does not require the permission of the RBI. A temporary place of business may be opened in the same city, town or village, without the permission of the RBI,for a period not exceeding one month on the occasion of exhibition etc. provided the bank has already a place of business in that place. Through Amendment Bill 2006, Section 56, permission to open Bank Branches in SEZ is also conferred to RBI.

- **Section: 24 Statutory Liquidity Ratio,** at present SLR is 18%. A scheduled bank shall maintain in India in cash or in gold or in unencumbered approved securities, an amount which shall not, at the close of any business day, be less than 25% (since removed) but not exceeding 40% of its demand and time liabilities in India, as on the last Friday of the second preceding fortnight. In order to comply with this section, every banking company shall submit a return to the RBI, within 20 days from the end of the month to which it relates, a monthly return showing particulars of its assets and its demand and time liabilities in India at the close of business on each alternative Friday during the month. In case of any shortfall, penal interest at the rate of bank rate + 3% will be levied. If the default continues further, the penal interest will be bank rate + 5%.

- **Section: 26 Unclaimed deposits:** Within 30 days of close of each calendar year, every banking company shall submit a return of all accounts in India, which have not been operated for a period of 10 years. In case of fixed deposits, the period will be reckoned from the date of maturity.
- **Section 26 A:** Depositor Education and Awareness Fund (DEAF) established to create awareness among the public.
- **Section: 29:** Every bank has to publish its balance sheet as on last working day of March every year on the Form A and P&L account on Form B, of 3rd Schedule of this Act.
- **Section: 30-I Audit –** Balance sheet is to be got audited from qualified auditors.
- **Section: 31** Submit balance sheet and auditor’s report
- **Section: 35 Inspection of Bank:** The RBI may at any time conduct inspection of any banking company. The Central Government can also direct the RBI to conduct inspection. Annual Financial Inspection of RBI comes under this.
- **Section: 35A** Powers to give directions in public interest or in the interest of banking policy.
- **Section: 36** RBI can terminate any Chairman or any employee of a bank where it considers desirable to do so.
- **Section:** 45 RBI has powers to apply to Central Govt. for Suspension of business by a banking company and prepare a scheme of reconstitution or amalgamation.
- **Section:** 45Y Preservation of Records: The Central Government may, after consultation with the RBI, make rules specifying the period for which a banking company shall preserve its books, accounts and other documents and also the different instruments paid by it.
- **Section:** 45ZA-ZF Nomination facilities for Deposit, SDL and Safe

deposit of article.

- **Section:** 45Z Return, the paid instruments: Return the paid instruments to a customer by keeping a true copy. Customers obtaining original instruments have to undertake to preserve instruments as prescribed by central Govt.
- **Section:** 47A RBI can impose penalty for various kinds of violations.
- **Section:** 49A Other than a banking company/RBI/SBI, no person can accept deposits of money withdrawable by cheque.
- **Section: 52** Central Govt. can make rules for all matter.

RBI ACT – 1934

Reserve Bank of India was formed by the legislative act of Reserve Bank of India Act, 1934 established on April 1, 1935 The Central Office of the Reserve Bank was initially established in Kolkata but was permanently moved to Mumbai in 1937.Meant to provide a framework for the supervision of banking firms in India.

"Scheduled Banks" mentioned in the 2nd Schedule of the Act. Schedules Bank means a Bank included in 2nd Schedule.

- **Sec 2 (e)** Scheduled banks are banks with paid up capital and reserves at-least Rs.5 Lakhs and above.
- **Section 7 -** Central government can legislate the functioning of the RBI through the RBI board, and the RBI is not an autonomous body**.**
- **Section 17-** Section 17 of the Act defines the manner in which the RBI can conduct business:

    - ✓ Accept deposits from the central and state governments without interest.
    - ✓ Purchase, sale and discount bills of exchange/Promissory notes**.**
    - ✓ Purchase foreign exchange from banks and sell it to them.

- ✓ Provide loans to banks and state financial corporations.
- ✓ Provide advances to the central government and state governments.
- ✓ Buy or sell Government Securities.
- ✓ Deal in derivatives, repo and reverse repo.

- **Section 18 -** Emergency loans to banks.
- **Section 18(1)(3) -** short term loans against any other securities which the RBI may consider sufficient**.**
- **Section 19-** Business which RBI may not conduct**.**
- **Section 20 and 21 of** RBI Act to transact the banking business of the Central Government.
- **Section 22 of RBI Act -** RBI has the sole right to issue and management of currency**.** Printing of currency notes, are handled by the Security Printing and Minting Corporation of India Limited, (SPMCIL) and The Bharatiya Reserve Bank Note Mudran Private Limited (BRBNMPL) in their different printing presses setup at Nasik, Devas, Mysore and Salboni.
  - ✓ **Nasik & Devas-** GOI
  - ✓ **Mysore &Salboni-** RBI

  SPMCIL has mints for coin production at Mumbai, Noida, Hyderabad and Kolkata (all GOI).
- **Section 24 -** Maximum denomination of a currency note can be ₹10,000**.**
- **Section 26 -** Legal tender character of Indian bank notes.
- **Section 28 -** Rules regarding the exchange of damaged and imperfect notes.
- **Section 29-** Bank note shall be exempted from stamp duty.
- **Section 31 –** Only GOI and RBI can issue and accept promissory notes that are payable to bearer on demand. However, Cheques that are payable on demand, can be issued by anyone**.**
- **Section 42 -** Every scheduled Bank is required to keep, certain percentage of their demand, and, time liabilities, as

cash balances, with the Reserve Bank of India, from time to time, known as Cash Reserve Ratio (CRR).**Presently CRR is 4.5%.**The non-scheduled banks are required to maintain the cash reserve as per **Section 18** of the Banking Regulation Act**.**

- **Section 43-** RBI to publish every fortnight a statement showing aggregate assets and liabilities of all SCBs**.**
- **Section 45 A to F-** Empowers RBI to collect credit information.
- **Section 45 H- 45T-** Regulations relating to non-banking finance companies.
- **Section 48-** Exemption to RBI from paying income tax**.**
- **Section 49-** Announce and publish Bank rate.

NEGOTIABLE INSTRUMENTS ACT- 1881

The NI Act states in its preamble that it seeks to define the law relating to promissory note, bill of exchange and cheques. NI Act came into force W.E.F March 01, 1882. This act is applicable to entire India. The term negotiable instrument is not defined in the Act. Section 13 says that Promissory Notes, Bills of Exchange and Cheques are negotiable instruments.

Common Features: The common features of negotiable instruments are as follows:

A negotiable instrument can be transferred by delivery or by endorsement and delivery, depending on whether it is payable to the bearer or order. Transferability of the instrument may be restricted by the maker or holder by crossing it as 'Account Payee.'

A negotiable instrument confers an absolute and valid title on the transferee who takes it in 'good faith, for value, and without notice of the defect in the title of the transferor.

The holder of negotiable instrument can sue in his own name and can recover the amount of the instrument from the party liable to pay thereon as there is a right of action attached to the instrument itself.

Under Transfer of Property Act Sec 137, the documents of title to goods are negotiable which include Bill of Lading, Dock Warrant, GRs approved by IBA, Railway Receipts, Warehouse Receipts, Wharfinger Certificates. These are also the document of title of goods under sales of goods act not under the NI Act**.**

Negotiability means transfer of the instrument to any person so as to constitute him the holder to transfer without restriction with the transferee taking the instrument for value and in good faith getting better and absolute title despite any defect in the title of the transferor.

Section 4: Promissory note: ''A Promissory Note is an instrument in writing (not being a bank note or a currency note) containing an unconditional undertaking, signed by the maker, to pay a certain sum of money only to, or to the order of, a certain person, or to the bearer of the instrument.

A promissory note that is dependent on contingency would tantamount to being an uncertain undertaking and hence cannot be treated as a promissory note.

Essential elements of a promissory note are:-

- ✓ It must be in writing;
- ✓ There must be express promise to pay;
- ✓ The promise must be unconditional;
- ✓ It must be signed by the maker of the note;
- ✓ The payee must be certain;

- ✓ The amount payable must be certain;
- ✓ The promise should be to pay money only and not anything other than money;
- ✓ The amount may be payable on demand or after a certain time;
- ✓ The promissory note cannot be made payable to bearer on demand. Section 31 of the RBI Act prohibits issue of such a Promissory note except by the RBI or Central Government.

Section 5: Bill of exchange: ''A bill exchange is an instrument in writing containing an unconditional order, signed by the maker, directing a certain person to pay a certain sum of money only to, or to the order of, a certain person or to the bearer of the instrument."

Elements of a bill of exchange are as follows:

Bill of exchange is used in business and trade involving the seller and buyer of goods/ services sold on credit terms.

It has three parties - drawer (seller), drawee (buyer) and payee (beneficiary).

Instead of paying cash, the drawee (buyer) undertakes to pay to the payee, or to his order, a specified sum on demand (i.e. demand bill on presentment of the bill), or on a specified future date (i.e. usance bill after acceptance).

The drawee of a bill is not liable until he accepts the bill, indicating thereby his assent to the drawer's order to pay.

Demand bill is payable immediately on presentment to the drawee.

Usance bill is presented twice to the drawee - first for acceptance, and thereafter for payment on the due date.

The date of payment must be certain or ascertainable. Demand bill is payable on demand or immediately on presentment. Usance bill is payable after specified period or at a future date. Usance bills attract stamp duty and they need to be accepted by the drawee/ s to legally –bind him/them for payment

The essential elements of a bill of exchange are:-

- ✓ It must be in writing;
- ✓ It must contain an order to pay;
- ✓ The order must be unconditional;
- ✓ The parties must be certain;
- ✓ The sum payable must be certain;
- ✓ It must contain an order to pay money.

Section 6, Cheque: ''A cheque is a bill of exchange drawn on a specified banker and not expressed to be payable otherwise than on demand and it includes the electronic image of a truncated cheque and a cheque in the electronic form.

A cheque has three parties. The drawer is the account holder signing the cheque; drawee is always the bank branch where the account holder maintains his account and the payee is the beneficiary who will receive the amount mentioned in the cheque.

The cheque has to be signed in ink by the account holder or his authorized agent (through mandate or power of attorney) as per the specimen Printed signatures on dividend/ interest warrants cheques that are issued by companies in bulk, are also acceptable.

A cheque has to be dated, as the date constitutes a material element of a cheque.

A holder of an undated cheque may fill in the date while presenting it for payment. A post-dated cheque cannot be paid before its due date.

An ante-dated cheque (i. e. date prior to the presentment) is payable within three months from the date specified on the cheque.

A banker can pay a cheque written only in words. If the amount is written only in figures, the bank generally returns it.

A demand draft is a negotiable instrument and is always drawn, payable to order. A demand draft resembles a bill of exchange; the only difference being that in the former, the drawer (bank) and the drawee (bank) are same.

The essential elements of a cheque are

- ✓ A cheque is a kind of bill of exchange;
- ✓ It is always drawn on a specified banker, which means the drawee of a cheque can be a banker;
- ✓ It is always payable on demand; and
- ✓ Cheque includes electronic image of a truncated cheque and a cheque in an electronic form.

Presumptions in N I Act.

- ✓ Negotiation is for consideration
- ✓ It bears the date on which it was made or drawn
- ✓ It was accepted within a reasonable time after its date and before maturity
- ✓ Every transfer of NIs was made before maturity
- ✓ Endorsements appearing of NI were made in the order in which they appear thereon
- ✓ It was duly stamped and stamp duly cancelled when the N I stand lost.
- ✓ Holder is holder in due course.

Section 7 Drawer, drawee- The maker of a bill of exchange or cheque is called the "drawer"; the person thereby directed to pay is called the "drawee". "Payee". —The person named in the instrument, to whom or to whose order the money is by the instrument directed to be paid, is called the "payee.

Section 8 Holder: The "holder" of a promissory note, bill of exchange or cheque means any person entitled in his own name to the possession thereof and to receive or recover the amount due thereon from the parties thereto.

Section 9 Holder in due course: "Holder in due course" means any person who for consideration became the possessor of a promissory note, bill of exchange or cheque if payable to bearer, or the payee or endorsee thereof, if one payable to order, before the amount mentioned in it became payable, and without having sufficient cause to believe that any defect existed in the title of the person from whom he derived his title.

Section 10 Payment in due course- ''Payment in due course" means payment in accordance with the apparent tenor of the instrument in good faith and without negligence to any person in possession thereof under circumstances which do not afford a reasonable ground for believing that he is not entitled to receive payment of the amount therein mentioned**.**

Section 11 "Inland instrument"- A promissory note, bill of exchange or cheque drawn or made in India and made payable in, or drawn upon any person resident in, India shall be deemed to be an inland instrument.

Section 12 "Foreign instrument"- Any such instrument not so drawn, made or made payable shall be deemed to be a foreign instrument.

Section 13- "negotiable instrument" means a promissory note, bill of exchange

or cheque payable either to order or to bearer.

It does not contain words prohibiting transfer or indicating an intention that it shall not be transferable.

It is payable to bearer which is expressed to be so payable or on which the only or last endorsement is an endorsement in blank.

Where a promissory note, bill of exchange or cheque, either originally or by endorsement, is expressed to be payable to the order of a specified person and not to him or his order, it is nevertheless payable to him or his order at his option.

A negotiable instrument may be made payable to two or more payees jointly, or it may be made payable in the alternative to one of two, or one or some of several payees.

Section 14 Negotiation- When a promissory note, bill of exchange or cheque is transferred to any person, so as to constitute the person the holder thereof, the instrument is said to be negotiated.

Section 15 Endorsement.—When the maker or holder of a negotiable instrument signs the same, otherwise than as such maker, for the purpose of negotiation, on the back or face thereof or on a slip of paper annexed thereto, or so signs for the same purpose a stamped paper intended to be completed as a negotiable instrument, he is said to indorse the same, and is called the "endorser".

Section 16 Endorsement in blank and in full- ''Endorsee" If the endorser signs his name only, the endorsement is said to be "in blank", and if he adds a direction to pay the amount mentioned in the instrument to, or to the order of, a specified person, the endorsement is said to be "in full", and the person so specified is called the "endorsee" of the instrument.

Section 17 Ambiguous instruments.—Where an instrument may be construed either as a promissory note or bill of exchange, the holder may at his election treat it as either and the instrument shall be hence forward treated accordingly.

Section 18 Where amount is stated differently in figures and words- If the amount undertaken or ordered to be paid is stated differently in figures and in words, the amount stated in words shall be the amount undertaken or ordered to be paid.

Section 20 Inchoate stamped instruments- Where one person signs and delivers to another a paper stamped in accordance with the law relating to negotiable instruments then in force, and either wholly blank or having written thereon an incomplete negotiable instrument, he thereby gives prima facie authority to the holder thereof to make or complete, as the case may be, upon it a negotiable instrument, for any amount specified therein and not exceeding the amount covered by the stamp. The person so signing shall be liable upon such instrument, in the capacity in which he signed the same, to any holder in due course for such amount.

Section 26 A minor may draw, indorse, deliver and negotiate such instruments so as to bind all parties except himself.

Section 31: Liability of drawee of cheque- The drawee of a cheque having sufficient funds of the drawer in his hands properly applicable to the payment of such cheque must pay the cheque when duly required so to do, and, in default of such payment, must compensate the drawer for any loss or damage caused by such default.

Section 58: Instrument obtained by unlawful means/ consideration- no title passes**.**

Section 85 Protection to paying banker:

If the banker pays a crossed cheque in due course he is protected even though the amount of the cheque does not reach the hands of the true owner.

A banker making payment of crossed cheque, ignoring the crossing will lose statutory protection. Such payment is not payment in due course.

If a banker pays a cheque crossed generally over the counter or a cheque crossed specially, otherwise than to a banker, he will be liable to the true owner of the cheque for any loss sustained by him.

Section 123 General Crossing

Section 124 Special Crossing

There are two types of crossing namely general and special crossing.

When a cheque bears across its face two transverse parallel lines it amounts to general crossing. The word “and Company” or any abbreviation of it may or may not appear between the parallel lines. The general crossing may or may not contain the word “not negotiable”.

If a cheque is crossed generally, the drawee bank can pay the cheque only through a banker.

When a cheque bears on its face, the name of a banker, it shall be deemed to be a special crossing and is crossed to that bank. In such a case the cheque can be paid only to the bank to which it is crossed. The two transverse parallel lines are not necessary for a special crossing. This means that a specially crossed cheque has to be routed through an account with the named bank.

A bearer cheque crossed Account Payee, in effect, is not a bearer cheque. It is payable to the payee only through a bank.

Who may cross a cheque.

A cheque may be crossed even after issue.

If a cheque is uncrossed, the holder may cross it generally or specially

If a cheque is crossed generally, the holder may cross it specially

If a cheque is crossed generally or specially, the holder may add the words ‘Not Negotiable’.

If a cheque is crossed specially, the banker to whom it is crossed may again cross it specially to another banker, as his agent for collection.

Section 131 of the Act provides protection to a collecting banker. The banker will be protected even if the title of the person for whom the cheque is collected is defective. However, the following conditions are to be fulfilled to avail the protection.

The collecting banker should have acted in good faith and without negligence.

The cheque should have been crossed before it comes in to the hands of the collecting bank.

The collecting banker has received the payment for a customer and not in his own account.

Section 131-A: Protection to collecting banker for crossed DD

Section 138: Drawer's liability for cheque returned unpaid for insufficient funds.

Section 140: Drawer cannot plead that he did not expect the cheque to be dishonoured.

LIST OF SAVINGS BANK PRODUCTS

Sl. No.	Savings Bank product
1	Regular Savings Bank Account
2	IB-Corp SB Payroll Scheme for Salaried Class
3	SB Platinum with “Sweep Facility”
4	IB Smart Kid
5	Capital Gain SB
6	SB Pension
7	Basic Savings Bank Deposit Account – BSBDA
8	Small Account
9	SB for students receiving scholarship undergovernment schemes
10	SB for Direct Benefit Transfer (DBT) beneficiaries
11	INDPFMS for Other Agencies
12	IB DIGI – Online Opening of Savings Bank
13	IB Sammaan – Savings Bank Account forSenior Citizen
14	Motor Accident Claim Tribunal (MACT) SavingsBank Account
15	IB Mahila Shakti – For Women
16	IB Kishore – Savings Bank Account for Minors
17	IB GenX – For the Vibrant Youth
18	IB Salaam – Special Account for Defense
19	IND Corp – SB Elite
20	IND Salary Suraksha
21	IND Sampoorna Salary Package
22	IND GuruDev

1. REGULAR SAVINGS BANK ACCOUNT

ELIGIBILITY	• Individual - Single Accounts • Two or more individuals - Joint Accounts • Illiterate persons • Blind persons • Associations, Clubs. • Trusts • HUF • Institutions/Agencies/ Societies/Government Departments specially permitted byRBI.
TYPE OF ACCOUNT	With/Without Cheque facility
MINIMUM BALANCE REQUIREMENT	R/SU – With Cheque facility – Rs.1000/- & Without cheque facility- Rs.500/ M/U - With Cheque facility – Rs.2500/- & Without cheque facility – Rs.1000/-
MAXIMUM AMOUNT	No limit
NON-MAINTENANCE OF MINIMUM BALANCE	Charges based on the amount of short fall in average monthly balance which will belevied on monthly basis .
SALIENT FEATURES	• 20 leaves free in a calendar year for cheque operated Savings Bank accounts. • Personalized cheque book. • Rupay ATM cards/ Debit cards provided free of cost. • 50 withdrawals permitted free per half year. • ECS/RTGS/NEFT facilities available. • Demat, Locker & Credit card facility available • Nomination facility available
INTEREST RATE	Interest to be applied as per the card rate and Interest payout on quarterly basis

2. **IB-Corp SB Payroll Scheme for Salaried Class**

TARGET CUSTOMERS	• Regular employees of Corporate firms, IT sector, ITES, State and Central Government Departments, Public Sector Undertakings, Semi Government organizations, Urban development authorities, Educational Institutions, MNCs, Hospitals, Hotels, Universities, Transport Corporations, Reputed Public Sector Companies, Hotels and select Private Sector Companies **with at least six-month service with their organization and whose salary is credited in our branches.** • Reputed and select Partnership firm and Proprietorship concern.

	In case of Proprietorship concern it should be registered under Shop & Establishment Act and in the case of Partnership Firm, it should be a registered firm.
KYC REQUIREMENT	As applicable to Normal Savings Bank account
INITIAL DEPOSIT	NIL
NATURE OF OPERATION	Cheque only
AVERAGE MONTHLY MINIMUMBALANCE	NIL
CHARGES FOR NON-MAINTENANCE OF MINIMUMBALANCE	NIL
CHEQUE BOOK	60 free personalized cheque leaves per annum (includes 20 free offeredto all SB accounts)
DD	25% concession in respect of Demand drafts issued to the debit of the SavingsBank account for purpose other than business.
RTGS/NEFT	Online NEFT & RTGS free
SMS ALERT	Free
NET/MOBILE BANKING	Free
ATM DEBIT CARD	**Free Rupay platinum card with AMC free**
INSURANCE COVER ON DEBITCARD	Rs. 2 LAKHS **
MAXIMUM WITHDRAWAL AT OUR BANK	Unlimited counts with a per day limit of Rs. 50,000
MAXIMUM WITHDRAWAL ATOTHER BANK ATMs (Presently 3 withdrawals are free in Metro ATMs & 5withdrawals if in Non-Metro)	5 financial and 2 non-financial transactions at other bank ATMs per monthfree of cost. (irrespective of the centre)
MAXIMUM TRANSACTION ATPOINT OF SALES (POS)	Rs. 1,00,000
CREDIT CARD*	Gold Credit card with 2 times of net salary for Government/Publicsectoremployees and one month net salary for other employees.
***Procedure for issuance of credit cards i.e based on scoring model remain the same**	CREDIT LIMIT Rs. 20,000 – Rs. 99,999
FREE PERSONAL ACCIDENT INSURANCE (DEATH COVER)	Rs. 2 LAKHS – primary Card holderRs. 1 LAKH – First add on card
HOSPITALIZATION COVER DUETO ACCIDENT	Rs. 1 LAKH – Up to 65 yearsRs. 50000 – 66-80 years

CREDIT SHIELD ON DEATH	Rs. 25000
PURCHASE PROTECTION LIABILITY	Rs. 25000
FREE AIR ACCIDENT INSURANCE COVER##	Rs. 5 LAKHS
LOST BAGGAGE INSURANCE COVER##	Rs. 10000
## Air tickets should have been purchased through credit card	
LOCKER RENT	25% concession on first year rent.
CONCESSIONS IN PROCESSINGCHARGES ONRETAIL PRODUCT LOANS	Concession in processing charges ranging from 25% to 50% for retailloansviz., Home Loan, Vehicle loan, Salary loan, Personal loan etc
OVER DRAFT FACILITY	❖ OD to the extent of 80% of net salary with a minimum amount of Rs.10,000/- and maximum amount of Rs.2,00,000/- ❖ Period of OD is for 6 months on reducing Drawing Limit method andinterest to be serviced as and when charged/ debited. ❖ Interest charged would be in line with the rate applied for existing salary loan accounts. ❖ The facility is to be offered to only those who have not availed anytype of Salary loan from any of the branches of the Bank ❖ Salary credited into the account should take care of the interest debited and bring the account to credit balance in the next month itself. ❖ Overdraft limit to be renewed after one year and reviewed at theend of 6 months. ❖ If the salary is not credited for 2 months consecutively, the limit would be cancelled and the account followed up for recovery.
ADDITIONAL CONCESSIONS OFFERED	All certifications viz., No due certificate, signature verification, photo attestation, interest certificate, balance confirmation certificate, certificate for dishonored cheque, details of maintenance of accountetc. offered free of cost.

3. SB Platinum with "Sweep Facility"

TARGET CUSTOMERS	• High Networth Individuals (HNIs), high income earning Gen- X and Corporate executives and • Non Individual – Institutions and Corporates. This facility will be provided to Firms, Companies, Trusts, Institutions etc. who are eligible to maintain SB Accounts
KYC REQUIREMENT	As applicable to Normal Savings Bank account
INITIAL DEPOSIT	NIL

NATURE OF OPERATION	Cheque only
AVERAGE MONTHLY MINIMUMBALANCE	**<u>For Individuals:</u>** • A Minimum average Balance of Rs. 25,000/- (total products of 7,50,000 per month i.e. 30 days X Rs.25,000/-) and a threshold minimum of Rs.50,000- for transferring to Term Deposit. (i.e. Sweep would be effected only when the balance exceeds Rs.50,000/-) **<u>For Non-individuals:</u>** • Threshold limit/Minimum Amount: Rs. 10,00,000/- . Sweep shall take place after the cut off level of Rs. 10,00,000/-
CHARGES FOR NON-MAINTENANCE OF MINIMUMBALANCE	**<u>For Individuals:</u>** • If the average monthly minimum balance in the Savings Bank Account falls below Rs.25,000/-, i.e. if the total products are less than 7,50,000 in a month, a penalty of Rs.120/- per month inclusive of Service Tax will be levied. **<u>For Non-individuals:</u>** • If the average minimum balance in the Current Account falls below Rs.1,00,000/-, i.e. if the total products are less than 90,00,000 in a quarter, a penalty of Rs.120/- per month inclusive of Service Tax will be levied.
CHEQUE BOOK	20 leaves free per calendar year
RTGS/NEFT	**<u>For Individuals & Non-Individuals:</u>** Online NEFT/RTGS free.
SMS ALERT	**<u>Individual:</u>** Charges applicable **<u>Non-individual:</u>** Free
NET/MOBILE BANKING	Free
ATM DEBIT CARD	**Rupay Platinum Card** with AMC free for individuals and no card for entities.
INSURANCE COVER ON DEBITCARD	Rs.2 LAKHS**
MAXIMUM WITHDRAWAL ATOUR BANK	Unlimited counts with a per day limit of Rs.50,000
MAXIMUM WITHDRAWAL ATOTHER BANK ATMs	Presently 3 withdrawals are free in Metro ATMs & 5 withdrawals if in Non-Metro(including non-financial)
MAXIMUM WITHDRAWAL	Rs.1,00,000

AUTO SWEEP FEATURES	**<u>For individuals:</u>** **Sweep Amount:** • In multiple amounts of Rs.10,000/- over and above the cut off limit of Rs.50,000/- on Sundays or at the option of the customer. **Frequency of Sweep:** • Period of MOD in the form of STD only and will be for 7 days to 180 days atthe option of the depositor. **For Non-individuals:** **Sweep Amount:** • In multiple amounts of Rs.100,000/- over and above the cut off limit. **Reverse Sweep:** • Reverse Sweep will automatically withdraw the required amount from MOD (Multiple Option Deposit) account in multiple of Rs100,000/-and the remaining amount will continue to earn the same rate of interest, as agreed upon in the contract. • Reverse Sweep will be on "Last in First out" (LIFO)basis. **Frequency of Sweep:** • On Sundays or at the option of the customer **Period of Fixed Deposit (MOD):** • 7 days to 180 days. **Pre-mature payment penalty:** • As applicable to Normal Term deposits

4. IB Smart Kid

TARGET CUSTOMERS	For children of age 1 day to less than 18 years. **Single only for minor - byFather/Mother and guardian** OR In the case of court appointed guardian - by guardian **NO JOINT ACCOUNT CAN BE OPENED UNDER THIS SCHEME**
KYC REQUIREMENT	As applicable to Normal Savings Bank account
NATURE OF OPERATION	With/Without Cheque facility
AVERAGE MONTHLY MINIMUM BALANCE	Rs.100/- average monthly balance for non cheque book operated savingsbank accounts. Rs.250/- average monthly balance for cheque operated savings bank accounts
CHARGES FOR NON-MAINTENANCE OF MINIMUM BALANCE	Charges based on the amount of short fall in average monthly balancewhich will be levied on monthly basis . Refer to Service Charges circular for detailed information
CHEQUE BOOK	20 leaves free per calendar year
DD	Remittance by DD of school/college fees at par. Others chargeable
RTGS/NEFT	Free if done online.
ATM DEBIT CARD	ATM/Debit card eligible for minors of age10 years or more to those who maintain the prescribed minimum balance and subject to consent by parents / guardian for issue of ATM debit card.

INSURANCE COVER ON DEBIT CARD	Rs.2 LAKHS**
MAXIMUM WITHDRAWAL AT OUR BANK	Unlimited counts with a per day limit of Rs. 50,000
MAXIMUM WITHDRAWAL AT OTHER BANK ATMs	Presently 3 withdrawals are free in Metro ATMs & 5 withdrawals if in Non-Metroincluding non-financial.
CONVERSION OF ACCOUNTINTO NORMAL SB	After the child attains majority (18 years of age), the account can be converted to regular SB deposit. Any cheques issued by Guardian prior to the date of the Customer attaining majority and which has been presented for clearing after the conversion of the Account shall not be honoured. **Upon the Customer attaining majority, the Guardian shall not be permitted tooperate the Account**
NOMINATION	Available
INTERNET BANKING	It can be provided with the approval of the guardian.

5. **Capital Gain SB**

TARGET CUSTOMERS	• All assesses who are eligible for exemption under Section 54, 54B, 54D, 54F or 54G of the Income tax Act 1961 (43 of 1961) can deposit under this scheme. • **Can be opened in all branches except rural branches**
KYC REQUIREMENT	As applicable to Normal Savings Bank account
NATURE OF OPERATION	**Non cheque book SB account**
AVERAGE MONTHLY MINIMUMBALANCE	As applicable to Normal SB accountSU – Rs.500/ and M/U – Rs.1000/-
CHARGES FOR NON-MAINTENANCE OF MINIMUMBALANCE	Charges based on the amount of short fall in average monthly balance.Refer latest service charges notification.
CONVERSION OF ACCOUNT	Conversion from Type A (Savings Bank) to Type B (Term Deposit) permittedand vice versa without charges
CHEQUE BOOK	Cheque books are not issued - Withdrawal only through withdrawal formswith application in Form C along with Passbook.
DD	Amount beyond Rs. 25000/- will be issued vide Account Payee DemandDraft
RTGS/NEFT	No RTGS / NEFT permitted
NET BANKING	Only for viewing, Transactions are restricted
ATM DEBIT CARD	Not issued
ECS DEBIT	No ECS debit permitted
NOMINATION	Maximum 3 persons can be nominated
RESTRICTIONS IN TRANSACTIONS AT THEBRANCH	Withdrawal by cash is restricted to Rs.25000/- Amount beyond Rs.25000/-will be issued vide Account Payee Demand Draft

CLOSURE OF ACCOUNT	Application in Form G with letter from assessing officer of the Income taxoffice to be provided for closure of the account

6. Savings Bank Account for Pensioners

TARGET CUSTOMERS	State/Central/EPF Pensioners
KYC REQUIREMENT	As applicable to Normal Savings Bank account
NATURE OF OPERATION	With Cheque Facility
AVERAGE MONTHLY MINIMUM BALANCE	NIL
CHARGES FOR NON-MAINTENANCE OF MINIMUMBALANCE	NIL
CHEQUE BOOK	20 free personalized cheque leaves per calendar year
RTGS/NEFT	NEFT & RTGS – If done Online free
SMS ALERT	No charges for Mandatory SMS
NET/MOBILE BANKING	Facility available
ATM DEBIT CARD	Free Rupay platinum card with first year AMC free
INSURANCE COVER ON DEBITCARD	Rs.2 LAKHS
MAXIMUM WITHDRAWAL ATOUR BANK	Unlimited counts with a per day limit of Rs.50,000
MAXIMUM WITHDRAWAL AT OTHER BANK ATMs	Presently 3 withdrawals are free in Metro ATMs & 5 withdrawals if in Non-Metro including non-financial.
MAXIMUM TRANSACTION ATPOINT OF SALES (POS)	Rs.1,00,000
ADDITIONAL CONCESSI ONSOFFERED	No Account closure charges

7. Basic Savings Bank Deposit Account – BSBDA

TARGET CUSTOMERS	• Only for individuals • **Holders of Basic Savings Bank deposit account will not be eligible for opening of any other savings bank deposit account with us. If a customer has any other existing savings bank deposit account with us, he/she will be required to close it within 30 days from the date of opening a Basic Savings Bank Deposit account.**
KYC REQUIREMENT	As applicable to Normal Savings Bank account

AVERAGE MONTHLY MINIMUMBALANCE	NIL
CHARGES FOR NON-MAINTENANCE OF MINIMUM BALANCE	NIL
CHEQUE BOOK	20 free personalized cheque leaves per calendar year
DEMAND DRAFT	One DD shall be issued free of commission to meet their payment to thirdparties
RTGS/NEFT	NEFT & RTGS – If done Online free
SMS ALERT	No charges for Mandatory SMS
NET/MOBILE BANKING	Facility available
RESTRICTIONS IN TRANSACTIONS AT THEBRANCH	There is no limit on the number of deposits that can be made in a month Account holders will be allowed a maximum of 4 withdrawals in a monthincluding ATM withdrawals.
ATM CARD	**Facility of ATM card only.**
INSURANCE COVER ON DEBITCARD	Rs.2 LAKHS**
MAXIMUM WITHDRAWAL ATOUR BANK	Maximum of only 4 withdrawals per month (including ATM WITHDRAWALS)is allowed free of charge. Beyond that charges apply.
MAXIMUM WITHDRAWAL AT OTHER BANK ATMs	
CONVERSION OF ACCOUNT	For availing the value added services offered to other SB accounts, the account holders of this scheme have to fulfill full KYC procedures and minimum balance requirements as applicable to such SB customers
ADDITIONAL CONCESSI ONSOFFERED	No Account closure charges

8. Small Account

TARGET CUSTOMERS	Accounts can be opened by Individuals. Opening of Joint account with operational clause 'either or Survivor' etc isalso allowed. However number of account holders is restricted to two only.

KYC REQUIREMENT	An Individual who desires to open a small account may produce NREGA job card duly signed by an Officer of the State Government or the letter issued by the Unique Identification Authority of India containing details of Name, Address and Aadhaar Number (called valid documents). However accounts can also be opened on production of a self-attested photograph and affixation of signature or Thumb print as the case may be on the prescribed form for opening the account. In that case the designated officer of the branch while opening the small account certifies under his / her signature that the person opening the account has affixed his / her signature or thumb print as the case may be inhis / her presence.
ADDITIONAL FEATURE	The account shall remain operational initially for a period of 12 months and thereafter for a further period of twelve months, if the holder of such an account provides evidence before the banking company of having applied for any of the officially valid documents within twelve months of the opening of the said account, with the entire relaxation provisions to be reviewed in respect of the said account after twenty four months. Subsequently if the same status persists, the account would be treated as inoperative account and the rules and regulation as applicable to inoperative account applies.
AVERAGE MONTHLY MINIMUMBALANCE	NIL
CHARGES FOR NON-MAINTENANCE OF MINIMUMBALANCE	NIL
CHEQUE BOOK	By way of withdrawal slips only accompanied by pass book.
SMS ALERT	No charges for Mandatory SMS
RESTRICTIONS IN TRANSACTIONS AT THEBRANCH	❖ Operations through withdrawal slip only. ❖ The aggregate of all credits in a financial year not to exceed Rs.1lakh ❖ The aggregate of all withdrawals and transfers during the month notto exceed Rs.10,000/- ❖ The balance at any point of time not to exceed Rs.50,000/-.
ATM CARD	**ATM cards will be issued to the account holders at the discretion of theBranch Manager**
CONVERSION OF ACCOUNT	For availing the value added services offered to other SB accounts, the account holders of this scheme have to fulfill full KYC procedures and minimum balance requirements as applicable to such SB customers
ADDITIONAL CONCESSI ONSOFFERED	No Account closure charges

9. SB for students receiving scholarship undergovernment schemes

TARGET CUSTOMERS	Student beneficiaries under various Central/ State GovernmentScholarship Schemes
KYC REQUIREMENT	As applicable to Normal Savings Bank account
NATURE OF OPERATION	Without cheque facility
AVERAGE MONTHLY MINIMUMBALANCE	No initial/minimum balance required
CHARGES FOR NON-MAINTENANCE OF MINIMUM BALANCE	NIL
CHEQUE BOOK	Not available
RTGS/NEFT	NEFT & RTGS – If done Online free
SMS ALERT	No charges for Mandatory SMS
NET/MOBILE BANKING	Facility available
RESTRICTIONS IN TRANSACTIONS AT THE BRANCH	There is no limit for credits to be made in this account
ATM CARD	Available
INSURANCE COVER ON DEBITCARD	Rs.2 LAKHS
MAXIMUM WITHDRAWAL ATOUR BANK	Unlimited counts with a per day limit of A50,000
MAXIMUM WITHDRAWAL AT OTHER BANK ATMs	Presently 3 withdrawals are free in Metro ATMs & 5 withdrawals if in Non-Metro including non-financial.
ADDITIONAL CONCESSIONS OFFERED	No Account closure charges
SPECIAL FEATURE	The stipulation of in-operative/dormant account due to non-operationdoes not apply for this account category.

10. SB for Direct Benefit Transfer (DBT) beneficiaries

TARGET CUSTOMERS	Direct Benefit Transfer beneficiaries under various Central/ State GovernmentSponsored Schemes
KYC REQUIREMENT	As applicable to Normal Savings Bank account
NATURE OF OPERATION	Without cheque facility
AVERAGE MONTHLY MINIMUMBALANCE	No initial/minimum balance required
CHARGES FOR NON-MAINTENANCE OF MINIMUMBALANCE	NIL

CHEQUE BOOK	Not available
RTGS/NEFT	NEFT & RTGS – If done Online free
SMS ALERT	No charges for Mandatory SMS
NET/MOBILE BANKING	Facility available
RESTRICTIONS IN TRANSACTIONS AT THE BRANCH	There is no limit for credits to be made in this account
ATM CARD	Eligible
INSURANCE COVER ON DEBITCARD	Rs.2 LAKHS**
MAXIMUM WITHDRAWAL ATOUR BANK	Unlimited counts with a per day limit of A50,000
MAXIMUM WITHDRAWAL ATOTHER BANK ATMs	Presently 3 withdrawals are free in Metro ATMs & 5 withdrawals if in Non-Metroincluding non-financial.
SPECIAL FEATURE	The stipulation of in-operative/dormant account due to non-operation doesnot apply for this account category.

11. INDPFMS for Other Agencies

TARGET CUSTOMERS	• Implementing Agencies (e.g. Statutory bodies, Trusts, Registered Societies, Autonomous Bodies, State Govt. Institutions, Local Bodies etc.) are registered on PFMS for monitoring their bank balances and tracking flow of funds. After registration on PFMS, the bank accounts of these agencies are duly validated by PFMS - Core Banking Solution (CBS) Interface and used by stakeholders for monitoring their balances.
VARIANT	Other Agencies **(With /Without cheque facility)**
KYC REQUIREMENT	As applicable to Normal Savings Bank account
AVERAGE MONTHLY MINIMUM BALANCE	As applicable to Normal Savings Bank account

12. IB DIGI – Online Opening of Savings Bank

TARGET CUSTOMERS	• The facility will be made available for "Resident Individual" customeronly. • NRE/NRO/FCNR accounts cannot be opened with this facility. • No joint account, non-personal, Minor a/c etc. will be permitted under this mode. • To use this facility, the mobile handset should be any Smart phone with Android Operating system and also through website. • Only Resident Indian Individual, over 18 years of age with capacity to contract in accordance with applicable laws in India, without any tax liability outside India is eligible for opening IB Digital Savings Account. • Customer must be having a valid Aadhaar number and valid Permanent Account Number. Customer must be having a valid and active local mobile number registered in his/her name, and a valid and active email address. • Customer will have to successfully complete e-KYC through biometric authentication by visiting any Indian bank branch and have to comply with all other requirements including KYC requirements as may be specified by the bank for Digital savings bank account. • At any given point of time, Customer can have only one on line (DIGI)Savings Account. Only one Savings Account can be opened from one Mobile Phone/Device/Website.
KYC REQUIREMENT	Customer must be having a valid Aadhaar number and valid PermanentAccount Number
NATURE OF OPERATION	No cheque book would be provided
AVERAGE MONTHLY MINIMUMBALANCE	While opening the account online either through app or through website there is no minimum balance requirement i.e., zero balance account. However, Customer will be required to maintain minimum balance as defined for normal Savings Bank Account once the documents are submitted to the branch. The minimum balance depends upon the category of Savings Account chosen.
CHARGES FOR NON-MAINTENANCE OF MINIMUMBALANCE	NA till conversion into Normal savings account
CONVERSION OF THEACCOUNT	**Application can be submitted to the branch for completing e-KYC by the customer within 1 year of opening for conversion into Savings bank accounttype of his choice, beyond which timeline it would be frozen for further operations.**
CHEQUE BOOK	Cheque book would be issued only upon conversion to Normal Savings/ Special type of savings account by visiting the home branch. Cheque book charges will be same as are applicable to normal savings account.
RTGS/NEFT	Free
SMS ALERT	No charges for Mandatory SMS
NET/MOBILE BANKING	Facility available

RESTRICTIONS IN TRANSACTIONS AT THEBRANCH	The credit balance in the account shall not exceed `1 lakh on any day. In case, the balance exceeds the threshold, the account shall cease to be operational, till biometric based e-KYC is completed. The aggregate of all credits in a financial year shall not exceed rupees `2 lakh. **The account can be operated for a period of one year within which the customer must visit the branch with Original and Copy of Aadhaar Card and PAN Card and complete e-KYC formalities.**

13. IB Sammaan – Savings Bank Account forSenior Citizen

TARGET CUSTOMERS	• Resident Individuals aged over 60 years • Either singly or jointly; however, the first account holder must be a seniorcitizen
KYC REQUIREMENT	As applicable to Normal Savings Bank account
NATURE OF WITHDRAWAL	Cheque / Non –Cheque facility
AVERAGE MONTHLY MINIMUMBALANCE & CHARGES FOR NON MAINTAENANACE OF MINIMUMBALANCE	NIL
CASH WITHDRAWAL AT NON HOME BRANCHES	Enhanced cash withdrawal facility without charges from non-home branches up to Rs.75,000/- per day as against the present limit of Rs.50,000/-
EXCESS WITHDRAWAL CHARGES	60 transactions free per half year excluding online transactions as against thepresent limit of 50 per half year.
CHEQUE BOOK	50 free personalized cheque leaves per annum (includes 20 free offered to allSB accounts)
DD	25% concession on the normal charges prescribed for DD
RTGS/NEFT	25% concession on normal charges through branch and free through online
SMS ALERT	Free
NET/MOBILE BANKING	Free
ATM DEBIT CARD	Eligible

INSURANCE COVER ON DEBITCARD	Rs.2 LAKHS**
MAXIMUM WITHDRAWAL AT OUR BANK	Unlimited counts with a per day limit of Rs. 25,000
MAXIMUM WITHDRAWAL ATOTHER BANK ATMs	Rs.25000/- with 3 withdrawals free in Metro ATMs & 5 withdrawals if in Non-Metroincluding non-financial transactions
MAXIMUM TRANSACTION AT POINT OF SALES (POS)	Rs.50,000
LOCKER RENT	10% concession on small lockers. Locker may be held jointly but first accountholder should be IB-Sammaan holder
CONCESSIONS IN INTEREST RATE ON RETAIL PRODUCTLOANS	• 0.50% interest rate discount on pension loans • Concession of 0.05% in Car Loan interest rate
COMPLIMENTARY SERVICES	• Special designed " senior" personal identity cum account information cardwith photo and other details of the Senior Citizen on it • SMS alerts for submitting 15H at the quarter beginning and when a new TermDeposit is opened. • Free financial literacy consultancy. • Reverse mortgage facility. • Preferential treatment at the bank (No Token System i.e. every alternateperson would be Senior Citizen in all the SWO / Chief Cashier Counters)

14. Motor Accident Claim Tribunal (MACT) SavingsBank Account

Special scheme formulated for disbursement of compensation to the victimsof the Road Accidents

TARGET CUSTOMERS	Individuals including Minors (through guardian) in their single name
NATURE OF OPERATION	Only through withdrawal slip or through Bio-Metric authentication
MODE OF OPERATION	• Only single operation • In case of minor accounts, the operations will be by guardian
KYC REQUIREMENT	As applicable to Normal Savings Bank account
AVERAGE MONTHLY MINIMUMBALANCE	NIL
CHARGES FOR NON-MAINTENANCE OF MINIMUM BALANCE	NIL
CHEQUE BOOK / DEBIT CARD/ATM CARD / WELCOME KIT / INTERNET BANKING / MOBILE BANKING FACILITY	• By default, these facilities are not offered. • Bank shall make an endorsement on the passbook of the claimant(s) to the effect that no cheque book and /or debit card have been issued and shall not be issued without the permission of the Court.

	• These facilities will be provided with the permission of the court only.
CONVERSION OF ACCOUNT	• Only new accounts will be allowed to be opened under this product. • Conversion from existing SB account to this product and vice versa is notpermitted.
SMS ALERT	Free
PLACE OF OPENING	• The product is offered at all branches of the Bank. However, as per the directions of the Court, the account should be openedonly at the branch nearest to the place of residence of the Claimants.
ACCOUNT TRANSFER	Not allowed without the permission of the Court.
NOMINATION	Available
PASS BOOK	Available
RATE OF INTEREST	As applicable to regular SB accounts
STATEMENT BY EMAIL	Available
OTHER CONDITIONS	• A suitable certificate /undertaking that "funds are being withdrawn for the benefit of Minor" to be obtained from the guardian, in case of withdrawalfrom the Minor's account. • The operations in the account should be stopped in the event of the deathof the guardian • **Compliance of KYC guidelines to be meticulously ensured.** • **Debit card / cheque book / Welcome kit / Internet banking facility / mobile banking facility to be provided only with the permission of the court.**

15. IB Mahila Shakti – For Women

TARGET CUSTOMERS	• Women customers with no salary is being credited/ Women with salarycredit. • Women customers - exclusively or as the first account holder 18 years &above. • All accounts must be Aadhaar seeded.	
KYC REQUIREMENT	As applicable to Normal Savings Bank account	
VARIANTS	**VARIANT I**	**VARIANT II**
	• Accounts where no salary is credited. • Sweep option with threshold (minimum Rs. 50,000), sweep/ break sweep amount (minimum Rs.10,000) & tenure (upto 180 days) as per customer's choice. Sweep will be created at weekly interval.	• Accounts where salary is credited. • Sweep option with threshold (minimum Rs. 50,000), sweep/break sweep amount (minimum Rs.10,000) & tenure (upto 180 days) as per customer's choice. Sweep will be created at weekly interval.

NATURE OF OPERATION	Primary account holder: • Any girl/ woman (student /working/ homemaker/ professional). • Age 18 years and above. • Exclusively or as the first account holder
AVERAGE MONTHLY MINIMUMBALANCE	Rs. 1000/--
CHARGES FOR NON-MAINTENANCE OF MINIMUMBALANCE	As per Normal Savings Account
CHEQUE BOOK	20 free personalized cheque leaves per calendar year
DD	25% concession in respect of Demand drafts issued to the debit of the SavingsBank account for purpose other than business.
RTGS/NEFT/IMPS	Free
SMS ALERT	Free
NET/MOBILE BANKING	Free
ATM DEBIT CARD	Rupay platinum card with AMC free
INSURANCE COVER ON DEBITCARD	Rs.2 LAKHS**
MAXIMUM WITHDRAWAL ATOUR BANK	Unlimited counts with a per day limit of A50,000
MAXIMUM WITHDRAWAL ATOTHER BANK ATMs	Presently 3 withdrawals are free in Metro ATMs & 5 withdrawals if in Non-Metro
MAXIMUM TRANSACTION ATPOINT OF SALES (POS)	Rs. 1,00,000* depending on the Card Variant.
PREFERENTIAL ALLOTTMENT OFLOCKERS	Yes
LOCKER RENT	25% discount on locker rental on lockers of all sizes for locker allotment linkedto IB Mahila Shakti SB account.(subject to availability of lockers). Locker may be held jointly but first name in locker account should be of the IB Mahila Shakti Primary Account holder
CONCESSIONS	• Concession of 0.50% in interest on MSME loan subject to minimum of oneyear MCLR/Repo, as applicable • Rebate of 0.50% interest under Education loan in the name of IB MahilaShakti Primary Account holder subject to minimum of one year MCLR/Repo, as applicable

16. IB Kishore – Savings Bank Account for Minors

TARGET CUSTOMERS	• Accounts introduced for Minors who have attained the age of 10years upto 18 years and can put their signature. • The account should be fully KYC compliant. • PAN/ Form-60 to be obtained
KYC REQUIREMENT	As applicable to Normal Savings Bank account

NATURE OF OPERATION	No joint account will be allowed under this Scheme
INITIAL DEPOSIT	Rs.500/-
AVERAGE MONTHLY MINIMUMBALANCE	NIL
CHARGES FOR NON-MAINTENANCE OF MINIMUM BALANCE	NIL
CONVERSION OF ACCOUNT	A provision will be made for conversion to Normal Saving Account onattainment of 18 years of age on submission of upto date KYC documents
CHEQUE BOOK	No cheque book facility at present.
NET/MOBILE BANKING	Would be provided with maximum transaction limit of Rs.10,000/- per day
ATM DEBIT CARD	RuPay Classic ATM Card only with 1st year AMC free.
INSURANCE COVER ON DEBIT CARD	Rs.2 LAKHS** **Offering of Personal Accidental Insurance with Debit card is subject to terms and conditions of debit card company which may change from time to time
MAXIMUM WITHDRAWAL ALLOWED PER DAY.	Total Debit Transaction per day should not exceed Rs.10000/- including withdrawals by Debit Card /Internet Banking/ Mobile Banking /POS.
MAXIMUM AT WITH DRAWALOTHER BANK ATMs	Within the Overall Withdrawal Ceiling of Rs.10000/- per day including Branch Transcations with 3 withdrawals free in Metro ATMs & 5 withdrawals if in Non-Metro including non-financial transactions
MAXIMUM AT TRANS ACTIONPOINT OF SALES (POS)	As per the limit defined depending on the Card Variant .
CONCESSIONS IN INTEREST RATEON RETAIL PRODUCT LOANS	Interest rate concession of 0.25% on educational loan subject to the condition that effective rate is not below 1 year MCLR even after providing all other concessions such as 0.50% applicable for girl student and 1% concession during moratorium period for serving interest regularlyduring the said period.

17. IB GenX – For the Vibrant Youth

TARGET CUSTOMERS	• Resident individual • **Primary account holder:** age group between 18 years to 40 years. • Single or joint
KYC REQUIREMENT	As applicable to Normal Savings Bank account
NATURE OF OPERATION	Singly, Jointly, Any one, E or S, Former or survivor.
INITIAL DEPOSIT	Rs.1000/-
AVERAGE MONTHLY	Rs.1000/-

MINIMUM BALANCE	
CHARGES FOR NON-MAINTENANCE OF MINIMUM BALANCE	As per Normal Savings Bank Account
CHEQUE BOOK	20 cheque leaves offered free per calendar year.
NEFT/RTGS/IMPS	Free
NET/MOBILE BANKING	Free
TRADING/DEMAT ACCOUNT	Free Demat Account for first year
ATM DEBIT CARD	Rupay Platinum Card with 1st year AMC free.
INSURANCE COVER ONDEBIT CARD	Rs.2 LAKHS**
MAXIMUM WITHDRAWALAT OUR BANK	Unlimited counts with a per day limit of Rs. 50,000
MAXIMUM WITHDRAWAL ATOTHER BANK ATMs	Rs.50000/- with 3 withdrawals free in Metro ATMs & 5 withdrawals if in Non-Metroincluding non-financial transactions
MAXIMUM TRANSACTIONAT POINT OF SALES (POS)	Rs.1 lac
CREDIT CARD FACILITY	Available
CONCESSIONS IN INTEREST RATE ON RETAIL PRODUCTLOANS	• Concession of 0.50% in interest on MSME loan subject to minimum of one year MCLR/Repo, as applicable. • Rebate of 0.50% interest under Education loan in the name of Youth and linked to GenX Primary Account holder subject to minimum of one year MCLR/Repo,as applicable • Concession of 0.05% in Housing loan scheme to GenX Primary Account holder. Waiver of processing fees on Housing loan, Car loan and Two Wheeler loan. Asset purchased should have the first name of GenX Savings Bank Primary Account • Reduced margin requirement of 10% on Car Loan & Two wheeler loan sanctioned to GenX Savings Bank Account Primary holder. • 0.25% concession in Rate of Interest on facility under Gold loan scheme/NP. The first name should be of GenX Savings Bank Account holder.
EXCLUSIVE PRIVILEGES	• Optional Health Insurance of GenX Savings Bank Account holder for critical illness by M/s USGICL to begin from next calendar month after deposit of premium amount with USGICL. • Sum Assured Rs 1 lakh. • Concessional Premium p.a. Rs 400/- (to be borne by the customer).

18. IB Salaam – Special Account for Defense

TARGET CUSTOMERS	• Personnel-Public Defence service • Resident Individual. • Minimum 18 years of age. • Serving permanent employee of all defence personnel(Army, Navy, Air force) including BSF, CRPF, CISF, ITBP, Indian Coast Guard and Para Military Personnel.
KYC REQUIREMENT	As applicable to Normal Savings Bank account
NATURE OF OPERATION	Singly, Jointly, Any one, E or S, Former or survivor.
INITIAL DEPOSIT	NIL
AVERAGE MONTHLY MINIMUMBALANCE	NIL
CHARGES FOR NON-MAINTENANCEOF MINIMUM BALANCE	NIL
CHEQUE BOOK	20 cheque leaves offered free per calendar year.
NEFT/RTGS/IMPS	Free
TRADING/DEMAT ACCOUNT	Free Demat Account for first year
ATM DEBIT CARD	Rupay Platinum Card with 1st year AMC free.
INSURANCE COVER ON DEBITCARD*	Rs.2 LAKHS** **Offering of Personal Accidental Insurance with Debit card is subject to terms and conditions of debit card company which may change from timeto time
MAXIMUM WITHDRAWAL AT OURBANK	Unlimited counts with a per day limit of A50,000
MAXIMUM WITHDRAWAL AT OTHERBANK ATMs	Rs.50000/- with 3 withdrawals free in Metro ATMs & 5 withdrawals if in Non-Metro including non-financial transactions
MAXIMUM TRANSACTION AT POINTOF SALES (POS)	Rs.1 lac
CREDIT CARD FACILITY	Available
PREFERENTIAL ALLOTTMENT	Yes
RENT ON LOCKER	25 % discount on locker rental on lockers of all sizes for locker allotmentlinked to Salaam Savings Bank account (subject to availability of lockers)Locker may be held jointly but first name in locker account shouldbe of the Salaam Savings Bank account.
CONCESSIONS IN INTEREST RATEON RETAIL PRODUCT LOANS	• Rebate of 0.50% interest under Education loan in the name of IB Salaam primary account holder and his children subject to minimum of one year MCLR/Repo, asapplicable. • Concession of 0.05% in Housing Loan scheme to IB Salaam primary account holder. • Waiver of processing fees on Housing Loan, Car Loan and Two Wheeler Loan in the name of IB Salaam Savings Bank Primary Account holder. • Reduced margin requirement of 10% on car loan & Two wheeler loan in the nameof IB Salaam Savings Bank Primary account holder. • 0.25% concession in rate of interest on facility under Bank Gold Loan scheme/NP. • The first name should be of IB Salaam Savings Bank account

EXCLUSIVE PRIVILEGES	• Optional Health Insurance of IB Salaam Savings Bank Account holder for critical illness by M/s USGICL to begin from next calendar month after deposit of premiumamount with USGICL. • Sum Assured Rs 1 lakh. • Concessional Premium p.a. Rs 400/- (to be borne by the customer).

19. **IND Corp – SB Elite**

Target Group	Regular Employees of Companies/Organizations in Government or Govt. undertakings of Central or State or PSUs having Banking relationship with our Bank are eligible to open Corporate Salary accounts of their employees under ***"IND Corp SB – ELITE"***.
Eligibility	• Central Government Employees (Except Defence/Security personnel) • State Government Employees (Except Police/Securitypersonnel) • PSU Employees • Employees of Local Government Organisations • Employees of Companies having Corporate relation with ourBank • Employer's confirmation and request for opening of CorporateSalary Account
KYC	• Applicable documents for opening of Savings bank account as per the extant guidelines • Employee ID
Minimum opening Balance	No minimum opening Balance required
Average MinimumQuarterly balance	***Minimum Quarterly Average Balance (QAB) of Rs. 5,000/-*** *to be Maintained to be eligible to get* ***"IND Corp SB–ELITE"*** *benefits.* ***For non-maintenance of QAB -*** *No penalty/charges are to be leviedbut will be disqualified for Personal Accidental Insurance (PAI) coverage and hence would be shifted out to General SB products from the list of accounts under PAI.* ***For the purpose of calculation of Quarterly Average Balance –*** *Any account opened on or before 15th day of the month, it would be considered as a full month.* ***Continuous 3 months will be consideredas a Quarter for calculation of QAB***.
Cheque Books	60 free personalized cheques leaves per annum.

Concession	25% concession in respect of Demand drafts issued to the debit of the Savings Bank account for purpose other than business.
Insurance cover on Debit/ Credit Cards	Offering of Personal Accidental Insurance with Debit card is subject to terms and conditions of debit / credit card company which may change fromtime to time
Free Personal Accidental Insurance(PAI) cover (T&C apply)	• Personal Accidental Death Insurance cover of Rs. 30.00 lakhs • Accidental Permanent Total Disability cover of Rs. 30.00 lakhsAccidental Permanent Partial Disability cover of Rs. 15.00 lakhs • Air Accident Death Insurance cover of Rs. 50.00 lakhs
Loan facility	As per the extant guidelines of the Bank.

20. IND Salary Suraksha

ELIGIBLE CUSTOMERS	Regular permanent Employees of Government /PSU /Private sectorcompanies with at least six-month service with their organization.
AGE GROUP	Entry Age – 18 years Exit Age - 60 years or the period up to which the employee is in servicewhichever is earlier.
OPERATION	Single
INITIAL DEPOSIT	NIL
CHEQUE BOOK	Free
DEMAND DRAFT	Free , If issued through Salary account
RTGS/NEFT	Free
NATURE OF OPERATION	Cheque
AVERAGE QUATERLYMINIMUM BALANCE	Depending on the product variant opted by the customer for maintaining the QAB of either >=Rs. 20000 >=Rs. 25000 If QAB is not maintained, Penalty for non-maintenance of minimum balance of Savings Bank Account will be applicable as per prevailing BankService Charges and the envisaged insurance facilities under the scheme will be discontinued.
SMS ALERT	Free
NET BANKING /MOBILE BANKING	Free –NEFT/RTGS Free –IMPS/UPI
ATM DEBIT CARD	Free Rupay Platinum card with AMC free

<table>
<tr><td>MAXIMUM WITHDRAWAL ATOTHERBANK ATMs</td><td>Free</td></tr>
<tr><td>Maximum Transaction at point of Sales(POS)</td><td>Rs.1,00,000/-</td></tr>
<tr><td>Locker Rent</td><td>25% of discount on locker rental for the first year of allotment of Medium/small sized locker</td></tr>
<tr><td>Documents required</td><td>CIF & Deposit account opening form
Employee identity card
Last 6 months salary slip
Proof of salary details
Address proof & ID Proof (As per ID Proof (As per KYC Norms)
Undertaking form</td></tr>
<tr><td>Other benefit</td><td>Complementary zero balance savings account for the spouse and minor children of the a/c holder</td></tr>
<tr><td>ACCIDENTIAL INSURANCE COVER ON DEBIT CARD</td><td>Rs.2 Lacs
Personal Accidental Insurance with Rupay Platinum Debit card is subject to terms and conditions of debit card company which may change from time to time.</td></tr>
<tr><td>INSURANCE*</td><td>Bank will provide the under mentioned Insurance Coverage to eligible account holders maintaining the required minimum QAB each under the respective variant of Ind Salary Suraksha Product .
<table>
<tr><th>Quarterly Average Balance QAB (Rs.)</th><th>Annual Health Insurance Coverage (Rs.)</th><th>Personal Accident Coverage (Rs.)*</th></tr>
<tr><td>>= 20000/-</td><td>1.00 Lac</td><td>Not Eligible</td></tr>
<tr><td>>= 25000/-</td><td>1.00 Lac</td><td>Personal Accident DeathInsurance Cover Rs. 30 Lakhs
Accidental Permanent TotalDisability cover of Rs 30 lakhs
Accidental Permanent PartialDisability cover of Rs 15 lakhs
Air Accident Death Insurance Cover of Rs 50 Lakhs.</td></tr>
</table>
Branches to explore cross selling of super top-up health insurance plans ofour Bank's Health Insurance Partners, Premium for which is to be borne by the account holder.</td></tr>
</table>

21. IND Sampoorna Salary Package

<table>
<tr><td>Target Group</td><td>Premium Segment Permanent Salaried class employees of Government
/PSU/ Navaratna / Maharatna Cos./Private sector companies /ReputedCorporates etc. except Defense and Police Personnel.
<table>
<tr><th>Variant</th><th>Minimum Monthly Gross Salary(Rs.)</th></tr>
<tr><td>PLATINUM</td><td>1.00 Lacs</td></tr>
<tr><td>DIAMOND</td><td>0.75 Lacs</td></tr>
<tr><td>GOLD</td><td>0.50 Lacs</td></tr>
</table></td></tr>
<tr><td>Age Group</td><td>Entry Age – 18 years
Exit Age - No limit (However free GPA insurance coverage will be providedupto age of 60 years or date of retirement whichever is earlier)</td></tr>
<tr><td>Initial Deposit</td><td>NIL</td></tr>
<tr><td>Average Minimum Balance For Providing FreeGPA Insurance Coverage</td><td>
<table>
<tr><th>Variant</th><th>Min. Gross Sal(Rs in lakh)</th><th>Monthly Average Balance(Rs.)</th></tr>
<tr><td>Platinum</td><td>1.00</td><td>15000.00</td></tr>
<tr><td>Diamond</td><td>0.75</td><td>10000.00</td></tr>
<tr><td>Gold</td><td>0.50</td><td>5000.00</td></tr>
</table>

Minimum Monthly Average Balance as above to be maintained tobe eligible to get “Ind Sampoorna Salary Package” benefits.
For non-maintenance of MAB – No penalty/charges to be levied butwill be disqualified for Personal Accidental Insurance coverage and hence would be shifted out to “IB Corp SB- Payroll Package” product.
GPA insurance coverage will be provided from the 15th the next month of credit of Salary into the account provided account holdermeet other criteria.
</td></tr>
<tr><td>Nature Of Operation</td><td>Single</td></tr>
<tr><td>Auto Sweep Facility</td><td>
Auto sweep facility can be extended upon request from the customer, in multiple amounts of Rs. 10,000/- over and above the threshold limit of Rs. 50,000/-.
Period of MOD in the form of STD only and will be for 7 days to 180daysat the option of the depositor.
Frequency of transfer from Savings Bank Account to MOD abovethe cut off limit (threshold limit) will be on weekly basis on every Sunday.
Penalty for premature closure of MOD will be charged as per the bank rules in force on the date
</td></tr>
</table>

	of pull sweep transaction as per the extant guidelines.
Cheque Book	Unlimited Free
DD	Unlimited Free , If issued through Salary account
RTGS/ NEFT Through Br Channel)	Quarterly amounting to Rs. 5.00 lakhs for Platinum Variant, Rs. 3.00 Lakhs for Diamond variant and Rs. 2.00 Lakhs for Gold Variant if done through SalaryAccount.
SMS Alert	Free
Statement	Free
Net/ Mobile Banking	Free – NEFT/RTGS/IMPS/UPI if done through Salary Account.
ATM Debit Card	Free Personalized Rupay Platinum card with
	➢ AMC free ➢ Lounge Benefits ➢ Reward Points ➢ Attractive Reward Points under Ind Advantage* *Indian Bank aims to give its customers the utmost benefit in their banking experience with Ind Advantage. Through this loyalty program, our valued patrons can receive gifts, discounts, offers, and much more. Use your Indian Bank Debit Card for shopping, dining and paying bills to collect the maximum amount of Ind Advantage Points. These Ind Advantage Points can be redeemed to get products and services for free or at a lower price. You can also earn Ind Advantage Points on your everyday Debit Card, Internet Banking and Mobile Banking transactions.

Maximum Withdrawal at ATM/POS

Variant	Limit ATM	Limit POS	Aggre. Limit
Platinum	50K	100K	150K
Diamond	50K	100K	150K
Gold	50K	100K	150K

Accidental Insurance Cover On Debit Card	Rs.2 Lacs Personal Accidental Insurance with Rupay Platinum Debit card is subject to terms and conditions of debit card company which may change from time to

<table>
<tr><td></td><td>time.</td></tr>
<tr><td>DEMAT A/C Opening & Trading</td><td>
<table>
<tr><td>Variant</td><td>AMC for Demat A/c</td></tr>
<tr><td>Platinum</td><td>Lifetime Free</td></tr>
<tr><td>Diamond</td><td>Free – 1st and 2nd year</td></tr>
<tr><td>Gold</td><td>Free – 1st year.</td></tr>
</table>

50% Discounted Brokerage Plan for Trading @ Rs.10/- per order for allvariant.
Exclusive researcher’s monthly coverage and suggestion on Economyand Capital Markets from M/s Fisdom.
</td></tr>
<tr><td>Free ATM Transaction at Bank’s Own/Other Banks’ ATM</td><td>
ATM Transactions in Our Bank’s ATM – Unlimited free
ATM transactions in Other Bank’s ATMs : Free 5 Per Months
</td></tr>
<tr><td>Credit Card</td><td>
Eligible as per bank norms
Credit Card EMI facility
Cashback/Reward Points on every purchase.
</td></tr>
<tr><td>Health Insurance and Other Insurance Product</td><td>At Attractive rate in co-ordination with our channel partners.</td></tr>
<tr><td>FASTAG</td><td>Free for Platinum variant only.</td></tr>
<tr><td>Other Benefits</td><td>Complementary Zero Balance Savings Account for the Spouse &MinorChildren of the A/c Holder</td></tr>
<tr><td>Concession onLocker Rent</td><td>
<table>
<tr><th>Variant</th><th>Concession</th></tr>
<tr><td>Platinum</td><td>25% on Small and Medium sized locker</td></tr>
<tr><td>Diamond</td><td>20% on Small and Medium sized locker</td></tr>
<tr><td>Gold</td><td>20% on Small and Medium sized locker</td></tr>
</table></td></tr>
<tr><td>Free Accidental Insurance</td><td>
<table>
<tr><th>Variant</th><th colspan="4">Accidental Insurance Offer</th></tr>
<tr><td>Platinum</td><td>Personal Accidental Death Insurance Coverage of Rs 100 Lakhs</td><td>Accidental Permanent Total Disability coverage of Rs 100 lakhs</td><td>Accidental Permanent Partial Disability coverage of Rs 50 lakhs</td><td>Air Accidental Death Insurance Coverage ofRs 100 Lakhs.</td></tr>
<tr><td>Diamond</td><td>Personal Accidental</td><td>Accidental Permanent</td><td>Accidental Permanent</td><td>Air Accidental Death Insurance</td></tr>
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		Death Insurance Coverage of Rs 50 Lakhs	Total Disability coverage of Rs 50 lakhs	Partial Disability coverage of Rs 25 lakhs	Coverage of Rs 100 Lakhs.
	Gold	Personal Accidental Death Insurance Coverage of Rs 40 Lakhs	Accidental Permanent Total Disability coverage of Rs 40 lakhs	Accidental Permanent Partial Disability coverage of Rs 20 lakhs	Air Accidental Death Insurance Coverage of Rs 80 Lakhs.

Concessions On Retail Product Loans	Retail Loan	Waiver of Processing Fees	Concession inROI*
	Home Loan	25%	0.10%
	Vehicle Loan	25%	0.10%
	Jewel Loan	25%	0.10%
	Education Loan to ward	25%	0.10%
	IB Clean Loan to SalariedClass	100%	0.10%

*Concession in ROI for **FIRST YEAR ONLY**, and if DSA pay-out is there for HL no concession in Processing Fee and ROI shall be allowed.

- Pre-approved Personal Loan
- Pre-approved Credit Card
- Pre-approved HL
- ROI benefits 0.10% less from Public Rates
- Loan Takeover from Other Bank – As per Extant guidelines of the Bank.

Fast-track other retail loan schemes for family members.

22. IND GuruDev

New Salary Savings Account for Government School Teachers

TARGET GROUP	Resident Individuals working as Teachers in Government Schools having a minimum monthlygross salary of Rs.25000/-.
AGE GROUP	Entry Age - 21 years Exit Age - 62 years or date of superannuation whichever is earlier.
INITIAL DEPOSIT	NIL

AVERAGE MINIMUM BALANCE	NIL
NATURE OF OPERATION	Single
AUTO SWEEP FACILITY	➢ Available, in multiple amounts of Rs. 10,000/- over and above the cut off limit of Rs.25000/- on weekly basis. ➢ Period of MOD in the form of STD only and will be for 7 days to 180 days at the optionof the depositor. ➢ Penalty for premature closure of MOD will be charged as per the bank rules in forceon the date of pull sweep transaction as per the extant guidelines.
CHEQUE BOOK	Free 50 Leaves per calendar year.
DD	Free 10 DDs in a calendar year.
SMS ALERT	Free
STATEMENT	Free
RTGS/NEFT /IMPS	5 Transactions free per month if done through branch Free if made through Online Mode (Internet & Mobile Banking)
DEBIT CARD	Personalized Rupay Platinum Debit Card with ➢ AMC Free for 1st year. ➢ Airport Lounge Benefits as offered by the Debit Card Company (RUPAY)
MAXIMUM WITHDRAWAL A TOWN /OTHER BANK ATMs	Unlimited Free Transactions at all ATMs (Indian Bank and other Bank ATMs)
REWARD POINTS FOR DIGITA LTRANSACTIONS	Points shall be awarded for transactions done on Digital transactions through our Bank's Loyalty Reward Programme **"Ind Advantage "**by the account holder using any of the following 3 digital channels of our bank 1. Debit Card 2. Internet Banking 3. Mobile Banking The reward points accrued can be redeemed online as well as offline across a plethora of merchants for goods, recharges, coupons, instant discounts, etc. as per Bank Policy.
EXCESS WITHDRAWAL CHARGES	70 transactions free per half year excluding online transactions as against the present limitof 50 per half year.
ACCIDENTIAL INSURANCE COVER ON DEBIT CARD	Rs.2 Lacs Personal Accidental Insurance with Rupay Platinum Debit card is subject to terms andconditions of debit card company which may change from time to time.

DEMAT A/ COPENING & TRADING	➢ Free Demat & Trading Account ➢ 1st Year AMC waived off, if opened through our bank's mobile app "Ind Oasis.
MAXIMUM TRANSACTION ATPOINT OF SALES (POS)	Rs.1,00,000/- (Applicable on Rupay Platinum Debit Card)
CREDIT CARD	➢ Eligible as per bank norms ➢ No Annual Fees ➢ EMI facility depending on Card Type. ➢ Reward Points on every purchase as per Bank's Policy
INSURANCE	**Group Personal Accidental Insurance Coverage** ❖ Personal Accident Death Insurance Cover of Rs.40 Lacs. ❖ Accidental Permanent Total Disability cover of Rs.40 lacs. ❖ Accidental Permanent Partial Disability cover of Rs.20 lacs ❖ Air Accident Death Insurance Cover of Rs.80 Lacs • **Insurance Coverage will be offered only to the eligible account holders maintaining anAverage Monthly Balance (AMB) of minimum Rs.10000/-** • **Insurance cover will be valid only for one year.** • Insurance will be available till the account remains in the eligible salary scheme code.Thus, insurance cover will not be available in case account transferred to Normal Saving Account due to non-receipt of salary in the account and non – maintenance of AMB. • **Modalities for covering the eligible account holders under the above insurance policies,would be shared to the filed functionaries through separate SOP.**

CONCESSIONS ON RETAIL LOANS	**Retail Loan Scheme** **Waiver of** **Rate of Interest Concession over** **Processing Fees** **the prevailing Rates** Housing Loan 25 % 0.05% Vehicle Loan 25 % 0.05 % Education Loan for Self 25 % 0.05 %& Childr Jewel Loan 25% 0.05 %(Non-Pri Clean Salary Loans 100% 0.05 % Concessional Offerings on ROI & Processing Fees to be offered on Personal Loan, HomeLoan, Car Loan and Education Loan, Jewel Loan subject to the following conditions: - 1. Only for 1st Loan availed by the Account Holder under each category of retail loan. 2. If DSA pay-out is there for HL & VL, no concession in Processing Fee and ROI will beallowed. 3. If the prevailing rates /concessions already being offered in the retail loan is lower,the higher of the two rates will be applicable.
PRE APPROVE DPERSONAL LOAN	Eligible as per existing circularized guidelines issued by Retail Assets Department.
OVERDRAFT FACILITY	Eligible as per the terms & conditions of **"IB INSTA CASH "**Circular No: ADV 295 /2022-23dated 01.02.2023.
LOCKER RENT	50 % discount on locker rental for the first year of allotment of Medium/Small Sized Locker.
INSURANCE COVERAGE O NCREDIT CARD	Available on the Credit Card variant as per terms & conditions of Bank's Policy.
OTHER BENEFITS	❖ Complementary Zero Balance Savings Account for the Spouse & Minor Children of the A/c Holder. ❖ Nil Charges for Signature verification/Photo attestation/All certifications
DOCUMENTS REQUIRED FOR ACCOUNT OPENING	❖ CIF & Deposit Account Opening Form ❖ Address Proof & ID Proof (As per KYC norms) ❖ For newly recruited teachers: Employer Letter/Recommendation containing salary details. ❖ Teachers with at least 6 month service : Salary Slips & Identity Card
OTHERTERMS & CONDITIONS	❖ In case, the monthly salary is not credited into the account for more than 3 consecutive months, the special features offered under this product will stand withdrawn and the account shall be treated as Regular Savings Account under our standard charge structure, and all charges shall be levied and applied as applicable to normal savings accounts. ❖ Nomination is Mandatory. ❖ Branch to explore cross selling of super top-up health insurance plans of our Bank's Health Insurance Partners, Premium for which is to be borne by the account holder. ❖ Branch to verify the relationship of the Spouse / Minor Children with

	the A/c Holder at the time of opening Complementary Zero Balance Savings Account. ❖ Other features of normal SB Product are applicable to Zero Balance Savings Account of Spouse of the Account holder. ❖ Other features of IB Smart Kid are applicable to Zero Balance Savings Account of Minor Child of the Account holder. ❖ Branches to strictly ensure that only one salary account is being opened for an eligible customer. ❖ Conversion of ETB Salary Accounts of Teachers will be allowed on merit basis by CO: R&GR based on the recommendation of concerned Zone & FGMO. ❖ All other guidelines for saving accounts (other than mentioned above) as applicable from time to time will be adhered to. ❖ All other service charges except the relaxations given above will be levied as per Bank's schedule of service charges as applicable from time to time.

CURRENT ACCOUNT PRODUCTS

Sl. No.	Current Account products
1	**Regular Current Account**
2	**IB – I Freedom Current Account**
3.	**Premium Current Account with sweep facility**
4	**IB – Comfort Domestic/NRE Current Account**
5	**IB RERA**
6	**IND Sahakari**
7	**INDPFMS Current Account for Other Agencies**

1 . **Regular Current Account**

ELIGIBILITY	• A person in his/her own name ; • Two persons or more than two persons in their joint names in anyone of the formsE or S, F or S, A or S or Jointly or survivors. • Accounts may also be opened in the names of companies, proprietary concern, partnership firms, clubs, associations, religious, educational, charitable and other institutions on production of the necessary documents, copies of rules, bye-laws, etc., duly attested by authorized persons in strict conformity with RBI guidelines
KYC	• Prescribed KYC/AML/CFT norms and opened after ensuring CDD. Besides for entities enjoying credit facilities the information available in CRILC (Central Repository of Information on Large Credits) to be utilised
TYPE OF ACCOUNT	• With Cheque facility
MINIMUM BALANCE REQUIREMENT	• R/SU – With Cheque facility – Rs.2500/- • M/U - With Cheque facility – Rs.5000/-
MAXIMUM AMOUNT	• No limit
NON-MAINTENANCE OF MINIMUM BALANCE	• Proportionate amount based on days of actual shortfall • For non-maintenance of quarterly average balance: • Urban / Metropolitan : Rs.600 per quarter • Rural/ Semi-urban : Rs.350 per quarter
SALIENT FEATURES	• Internet Banking free to Individuals and Proprietors, besides Customers ofPartnership firm, Public/Private Ltd company, Trust, HUF society etc. • Monthly statement available online and free at Branch for the first time. • Auto sweep not available • Rupay Debit Card issued based on eligibility criteria of the account holder.
VALUE ADDITIONS	• Interest is not eligible for Current Accounts • Nomination facility available for Individuals with Current Account facility
INTEREST RATE	• Not applicable

2. IB I-Freedom Current Account"Smart Account for Smart People"

ELIGIBLE CUSTOMERS	Traders, Businessmen, Corporate Bodies, viz. Petrol Bunks, Retail and Wholesale customers, Wholesale agents,

	Corporates, Education Institutions and Government Departments, Y Gen customers, Professionals and Software Companies.		
KYC REQUIREMENT	As applicable to Current Account		
NATURE OF OPERATION	As per the constitution of the entity		
VARIANTS	COOL	PLUS	PRIME
AVERAGE MONTHLY BALANCE	Rs.50,000	Rs.100000	Rs.500000
CHARGES FOR NON-MAINTENANCE OF MINIMUM BALANCE	Rs.250/-per month	Rs.500/-per month	Rs.1500/-per month
CHEQUE BOOK	50 leaves free per month	100 leaves free per month	200 leaves free per month
DEMAND DRAFT	25% concession on the prescribed charges for DD	50% concession on the prescribed charges for DD	Free
RTGS/NEFT	25% concession on normal charges through branch and free through online	50% concession on normal charges through branch and free through online.	Free both online & offline
SMS ALERT **/NET/MOBILE BANKING**	Free	Free	Free
CASH DEPOSIT IN HOME BRANCH (CASH HANDLING CHARGES)	Up to Rs. 250000/- Free >Rs.2,50,000/- Re.1/-per thousand Min Rs.100/-,Max Rs.5000/	Up to Rs. 3,00,000/- Free >Rs.3,00,000/- Re.1/-per thousand Min Rs.100/-,Max Rs.5000/-	Up to Rs 5,00,000/- Free >Rs.5,00,000/- Re.1/-per thousand Min Rs.100/-,Max Rs.5000/-
CASH DEPOSIT IN NON HOME BRANCHES	Rs.50, 000 per day free Deposits in excess of	Rs.50,000 per day free Deposits in excess of Rs.50, 000 per	Rs.50,000 per day free Deposits in excess of Rs.50, 000 per

	Rs.50, 000 per day will be charged @ Re1 per R1000, minimum of Rs25/- per txn. (No cash handling charges)	day will be charged @ Re1 per R1000, minimum of Rs25/- per txn. (No cash handling charges)	day will be charged @ Re1 per R1000, minimum of Rs25/- per txn. (No cash handling charges)
CASH WITHDRAWAL IN NON HOME BRANCHES	Up to Rs.50000/- Free >Rs.50000/ - Rs.2/- per 1000/- with a minimum of Rs.25/-	Up to Rs.50000/- Free >Rs.50000/- Rs.2/- per 1000/- with a minimum of Rs.25/-	Up to Rs.50000/- Free >Rs.50000/- Rs.2/- per 1000/- with a minimum of Rs.25/-
ACCOUNT KEEPING CHARGES	3 pages free (3*40 transactions) excluding online transactions per quarter, charged half yearly.	5 pages free (5*40 transactions) excluding online transactions per quarter, charged half yearly.	Free
COMPLIMENTARY SERVICES	NIL	NIL	POS Machine Rent Free including data connectivity charges
EXCLUSIVE PRIVILEGES	1.5 times the normal reward points on credit card	1.75 times the normal reward points on credit card	2 times the normal reward points on credit card

3.<u>Premium Current Account with sweep facility</u>

ELIGIBILITY	• Suitable for Corporates, Traders, Businessmen, Entrepreneurs and HNI's
TYPE OF ACCOUNT	• With Cheque facility

MINIMUM BALANCE REQUIREMENT	• Rs.100000/-
MAXIMUM AMOUNT	• No limit
NON-MAINTENANCE OF MINIMUM BALANCE	• For non-maintenance of quarterly average balance: • Rs.570 per quarter
SALIENT FEATURES	• Internet Banking free to Customers • An average Minimum Balance of Rs. 1,00,000/- (total products of 90,00,000 per quarter i.e. 90 days X Rs.1,00,000/-) and a threshold minimum of Rs.2,00,000/- for transferring to Term Deposit. (i.e. Sweep would be effected only when the balance exceeds Rs.2 Lakhs) • Sweep is effected in multiples of Rs.25000/- • Sweep is effected weekly every Sunday by default. However an option is given to customer to effect sweep as per their choice. • Receipts are not issued for MOD deposit however a statement is pushed every month end giving details of break out in sweep account. • Monthly statement available online and free at Branch for the first time. • Auto sweep not available
VALUE ADDITIONS	• ATM-Cum- Global Debit Card as per eligibility • 6 DD at par upto a maximum of Rs.3,00,000/- per quarter each not exceedingRs.50000/- • Stop payment instructions & signature attestations carried out free of cost • The sweep tenor is applicable from minimum of 7 days and maximum of 180days.
INTEREST RATE	• Applicable for MOD as per tenor chosen and on preclosure, penalty asapplicable would be levied.

4. IB –COMFORT DOMESTIC/ NRE Current Account

TARGET CUSTOMERS	Individuals – To cater to the needs of individuals who would like to maintain accounts without any interest component	
KYC REQUIREMENT	As applicable to Current Account	
NATURE OF OPERATION	Either Singly or Jointly	
VARIANTS	**COMFORT DOMESTIC**	**COMFORT NRE**
AVERAGE MONTHLY	Rs.25,000	Rs.50000

MINIMUM BALANCE		
CHARGES FOR NON-MAINTENANCE	Rs.250/-per month	Rs.500/-per month
CHEQUE BOOK	100 leaves free per month	200 leaves free per month
DEMAND DRAFT /SMS ALERT	As applicable for Normal Current Account	As applicable for Normal Current Account
RTGS/NEFTNET/MOBILE BANKING	Free	Free
SMS ALERT	As applicable for Normal Current Account	As applicable for Normal Current Account
CASH DEPOSIT IN HOME BRANCH (CASH HANDLING CHARGES)	As applicable for Normal Current Account	Not applicable
CASH DEPOSIT IN NON HOME BRANCHES	As applicable for Normal Current Account	Not applicable
CASH WITHDRAWAL IN NON HOME BRANCHES	As applicable for Normal Current Account	Not applicable
ACCOUNT KEEPING CHARGES	1 page free (1*40 transactions) excluding online transactions per quarter, charged half yearly. For excess consumption over free entitlement, please refer service charges notification	3 pages free (3*40 transactions) excluding online transactions per quarter, charged half yearly. For excess consumption over free entitlement, please refer service charges notification
DEBIT CARD	Available	

5. IB RERA

Current Account product for Builders/Real Estate Developers

As per Real Estate Regulatory Authority (RERA) act, every Promoter needs to open a separate bank account called "Designated Bank Account" for getting himself registered under RERA. Out of all the money received from sale proceeds, promoter needs to deposit 70% of such amount in designated bank a/c. Balance amount of 30% can be retained by the Promoter to carry out administration cost. To withdraw 70% amount, promoter needs to submit CA certificate in **Form 3**.

Three Bank accounts will be opened for each specific project as under:

- **RERA Receivable Account**
- **Promoter's Normal Current account**
- **RERA Designated Account.**

RERA Receivable account and RERA designated account will be closed after completion of the project and after obtaining the necessary permission from the related State RERA Department.

The salient features of the product are detailed here under

Name of the Product	"**IB RERA Current Account**"
Eligibility	Every Promoter/Developer/Real Estate agent who gets himself registered under RERA are eligible to open a separate bank account called "Designated Bank Account".
Account type	Current Account
Minimum / Monthly/ Quarterly Average Balance	Monthly Average balance Rs. 25000/-
Maximum Balance	No limit.
Mode of operation	Authorized signatory/ies.
Internet Banking/ Indpay App/OASIS App/ ATM Card	Internet Banking with only viewing facility for RERA Receivable and RERA Designated Account. All facilities will be available in RERA Promoter Normal Current Account
Special Features	No withdrawal is permitted from RERA Receivable account. Amount credited in this account through RTGS/NEFT/Cheques etc. are to be transferred to Promoter Normal Current account and RERA Designated Current account through auto sweep at EOD.
Other Conditions	For maintaining initial Minimum balance in the RERA Designated Current, customer needs to deposit a cheque of Rs.36000/- in Receivable account, of which 70%(Rs.25200/-) will go to RERA Designated Current as minimum balance

	and 30 % (Rs.10800/-) to Promoters Normal Current Account at EOD.

6.IND SAHAKARI

Current Account for Cooperative Banks with five variants

1) **Eligibility**:- All Schedule/Non Scheduled Cooperative Banks
2) **KYC**: - Prescribed KYC/AML/CFT norms and opened after ensuring CDD.
3) **Authorized Branches**:- FGMO to identify & recommend specific branches for opening of accounts to CO R & GR for designating & opening of account, in case of non- currency chest branches after consultation with cooperative Banks Gold, Diamond, Platinum Variants to be on boarded through currency chest Link Branches only.
4) **Purpose**:-Multiple Current account Permitted under one CIF for
    - Main account (Transfer/Investment/CRR purpose)
    - Cash handling
    - Chq Clearing
    - NEFT/RTGS Facility
    - Settlement account
    - Main CA, RTGS/NEFT
5) **Maximum amount**:- No limit
6) **Quarterly Balance**: - Balance in all CA under single CIF to be considered for daily average balance calculated on quarterly basis. In case balance falling below Rs 1 Cr card rate to be charged for facilities offered.
7) **Cash Handling Charges**:-Free Subject to the Daily Average Float.Maximum three remittances in a week where daily cap per day across CIF,95% OF REMITTANCE SHOULD BE IN DENOMINATION OF Rs 500/- & the balance 5% can be in denomination of Rs 200/100 Denomination below Rs 100/- not permitted. (Currency Chest/ Branch to ensure Compliance).
8) **No. of Withdrawal**: - No cap on withdrawal.
9) **Charges for Cheque book**- Nil

10) **NEFT /RTGS**- Free

11) Other Facilities:- Offering CTS at Local cooperative Bank/Branches MIS & Dashboard for reconciliation of main account

Different type of Product Variants					
Facilities	Normal CA	Silver	Gold	Diamond	Platinum
Quarterly Balance Maintenance	1 Cr	5 Cr	10 Cr	15 Cr	20 Cr
Cash Deposit	5 Lacs	25 Lacs	50 Lacs	75 Lacs	1 Cr
No. of Free cheque Daily Limit	50	100	150	200	350
No. of NEFT daily Limit	25	50	100	150	200
No. of RTGS daily Limit	25	50	75	100	125

7. INDPFMS Current Account for Other Agencies

ELIGIBILITY	• Institutions, Statutory bodies, Trusts, Registered Societies, Autonomous Bodiesand Local Bodies etc. on boarded on PFMS platform.
SCHEME DETAILS	• Public Financial Management System (PFMS) is being implemented by the Office of the Controller General of Accounts (CGA), Ministry of Finance (MOF) in technical collaboration with NIC. A web based application with the objective of tracking and monitors the ultimate utilization of funds released under all Plan schemes of Government of India (GOI), the scheme aims at establishing a suitable on-line MIS and Decision Support System (DSS) for the Plan Schemes of GOI • Implementing Agencies (e.g. Statutory bodies, Trusts, Registered Societies, Autonomous Bodies, State Govt. Institutions, Local Bodies etc.) are registered on PFMS for monitoring their bank balances and tracking flow of funds. After registration on PFMS, the bank accounts of these agencies are duly validated by PFMS - Core Banking Solution (CBS) Interface and used by stakeholders for monitoring their balances.
TYPE OF ACCOUNT	• With Cheque facility
	Other Agencies INDPFMS OTHERS

KYC REQUIREMENT	• As applicable to Normal Current Account.
MINIMUM BALANCE REQUIREMENT	
MAXIMUM AMOUNT	• No limit. However PAN number to be produced wherever the entity is requiredto have a PAN.
NON- MAINTENANCE OF MINIMUM BALANCE	• As applicable to Normal Savings Bank and Current Account.
MODE OF WITHDRAWAL	• Through cheque mode. The requirement of the Department is to be specificallyobtained in writing from the Competent authority and appropriate product suggested.
ISSUE OF ATM CARD	• ATM card shall not be provided
NUMBER OF WITHDRAWALS	• As applicable to Normal Current Account
CHARGES	• As applicable to Normal Current Account

TERM DEPOSIT PRODUCTS

Sl. No.	Term Deposit product	Individuals /HUF	Institutions	Govt. Dept
1	Fixed Deposit Scheme	✓	✓	✓
2	Money Multiplier Deposit Scheme	✓	✓	✓
3	Short Term Deposit Scheme	✓	✓	✓
4	Recurring Deposit Scheme	✓	✓	✓
5	Variable Recurring Deposit Scheme	✓	✓	✓
6	Capital Gain Scheme	✓	✓	X
7	Tax Saver Scheme	✓	X	X
8	Motor Accident Claim Tribunal Deposit	✓	X	X
9	IB –Golden Ager	✓	X	X
10	Ind Swagat	✓	X	X
11	Ind Court	X	X	✓
12	Ind Non-Callable Deposit	✓	✓	✓
13	Ind Flexi Fix	✓	✓	✓
14	Ind Super 400 Days	✓	✓	✓
15	Ind Supreme 300 Days	✓	✓	✓

1.FIXED DEPOSIT SCHEME (FD)

SCHEME	Term deposits repayable after a fixed period, agreed at the time of deposit withinterest payment periodicity as per the choice of the customer viz., monthly or quarterly.
TARGET CUSTOMERS	• A person in his/her own name; • Minor(s) represented by his/her/their guardian; • Two persons with any one of the following clauses: • A. Jointly B. Either or Survivor & C. Former or Survivor • More than two persons either (a) jointly or (ii) to anyone or the survivor(s) of them: • A firm, a company or an association in its name
AMOUNT	Minimum Deposit -

	Rs.1000/- No maximum amount.
MODE OF INTEREST PAYMENT	Payable on quarterly intervals or monthly intervals at discounted rate to the linkedaccount or through NEFT/RTGS as per customer's choice.
TENOR OFFERED	Minimum 6 months Maximum 10 years
INTEREST PAY OUT FREQUENCY	Interest on quarterly or on monthly basis with a discount
ADDITIONAL INTEREST FOR SENIOR CITIZENS	• **Additional interest of 0.50% p.a payable** • Additional rate would be offered on all deposits of 7 days to 10 years except for deposits under Capital Gain Scheme 1988 & NRE. • However, in the case of term deposits standing in the name of an HUF, the Karta of the HUF is not eligible for higher rate of interest, even if he is a senior citizen, as the beneficial owner of the deposit is the HUF and not the Karta in his individual capacity
MONETARY LIMIT FOR ADDITIONAL INTEREST FOR SENIOR CITIZENS	• **For amounts up to Rs.10 cr.** • This ceiling is applicable to all types of term deposits standing in the name of the Senior Citizen as the principal account holder at one or more branches put together. • However, no single deposit to be opened in a day for more than Rs 2 Cr within the overall limit of Rs 10 Cr tagged to a single CIF.
ADDITIONAL BENEFITS FOR STAFF	• **Additional interest of 1.00% p.a payable** • The additional rate would be offered on deposits of 7 days to 10 years on alldeposits excepting for Capital Gain Scheme 1988 & NRE deposits.
MONETARY LIMIT FOR ADDITIONAL INTERESTFOR STAFF	• **For amounts up to Rs.2 cr.** • This ceiling is applicable to all types of term deposits standing in the name of the Staff as the principal account holder at one or more branches put together. A declaration to this effect that the money belongs to staff to be obtained.
ADDITIONAL BENEFITS FOR EX-STAFF SENIOR CITIZEN	• **Additional interest of 1.50% p.a payable** • The additional rate would be offered on deposits of 7 days to 10 years on alldeposits excepting for Capital Gain Scheme 1988 & NRE deposits.
MONETARY LIMIT FOR ADDITIONAL INTEREST FOR EX-STAFF CUM SENIOR CITIZEN	• **For amounts Up to Rs.10 cr.** • This ceiling is applicable to all types of term deposits standing in the name of the Ex-Staff cum Senior Citizen as the principal account holder at one or more branches put together. However, no Single deposit to be opened in a day for more than Rs 2 Cr within the overall limit of Rs 10 Cr tagged to a single CIF.
ADDITIONAL BENEFITS FOR ASSOCIATION OF STAFF LIKE REGISTERED ASSOCIATION,	• **Additional interest of 1.00% p.a payable** • Additional rate would be offered on deposits where all the members of the Association, Union or Thrift and Credit Society are staff members on all deposits of 7 days to 10 years except for deposits under Capital Gain Scheme 1988

UNION & EMPLOYEES THRIFT & CREDIT SOCIETY	& NRE and less than Rs.2 cr

NOMINATION FACILITY	• Available
ROLL OVER OPTION	• Available Automatic renewal facility for period of original deposit after 10 yearsaccount to be closed and opened afresh.
PRECLOSURE FACILITY	• Available
PRECLOSURE PENALTY	• As per the existing penalty structure
LOAN AGAINST DEPOSIT	• Loans may be granted, at the discretion of the bank, subject to maximum of 90% of the deposit amount, interest on the loan at a rate 2% higher than the rate applicable to the deposit plus interest tax as prescribed from time to time by theGovernment. • If the deposit against which loan is given is foreclosed, then the rate of interest charged in the loan will be 2% higher than the rate paid on such foreclosed deposit subject however to the conditions that if no interest is provided for the deposit, the loan will be at normal rates.
TDS	• As applicable
15G /15H	• Wherever eligible can be submitted in branch or online for customers having netbanking facility
ANY OTHER INFORMATION RELEVANT TO THE PRODUCT	• Payment of deposit amount including interest if exceeds Rs.20000/- or other aggregate of deposits held by a customer in his sole name or jointly with others on the date of payment of any one deposit exceeds Rs.20000., shall be made by way of Account Payee crossed cheque/draft or by way credit to SB/CA of the depositor(s) or NEFT/RTGS. • Whenever addition/deletion/substitution of names in a deposit account is made, branches should obtain a fresh nomination from all the joint deposit holders, after such addition/deletion/substitution. • Settlement of claims and payment of interest in respect of deceased account holders with or without survivor / nominee clause to be verified in Deposits policy • Payment of interest on overdue deposits to be verified in Deposits Policy.

2. MONEY MULTIPLIER DEPOSIT SCHEME(MMD)

SCHEME	Money multiplier deposit is a scheme under which a fixed amount is placed as deposit for a fixed period and the interest earned thereon is reinvested at quarterly rests to yield compound interest. The principal and interest earned is repaid to the depositor on maturity of the deposit.
TARGET CUSTOMERS	• A person in his/her own name; • Minor(s) represented by his/her/their guardian; • Two persons with any one of the following clauses: • A. Jointly B. Either or Survivor & C. Former or Survivor • More than two persons either (a) jointly or (ii) to anyone or the survivor(s) of them: • A firm, a company or an association in its name
AMOUNT	Minimum Deposit - Rs.1000/- and multiples of Rs.100/-No maximum amount.
MODE OF INTEREST PAYMENT	Interest payable is renewed with principal on maturity.
TENOR OFFERED	Minimum 6 months Maximum 10 years
INTEREST PAY OUT FREQUENCY	Quarterly compounding but interest would be paid along with the principal on maturitysubject to TDS.
ADDITIONAL BENEFITS FOR SENIOR CITIZEN	• **Additional interest of 0.50% p.a payable** • Additional rate would be offered on all deposits of 7 days to 10 years except for depositsunder Capital Gain Scheme 1988 & NRE. • However, in the case of term deposits standing in the name of an HUF, the Karta of the HUF is not eligible for higher rate of interest, even if he is a senior citizen, as the beneficial owner of the deposit is the HUF and not the Karta in his individual capacity
MONETARY LIMITFOR ADDITIONALINTEREST FOR SENIOR CITIZEN	• **For amounts up to Rs.10 cr.** • This ceiling is applicable to all types of term deposits standing in the name of the SeniorCitizen as the principal account holder at one or more branches put together. • However, no single deposit to be opened in a day for more than Rs 2 Cr within the overall limit of Rs 10 Cr tagged to a single CIF.
ADDITIONAL BENEFITS FOR STAFF	• **Additional interest of 1.00% p.a payable** • The additional rate would be offered on deposits of 7 days to 10 years on all depositsexcepting for Capital Gain Scheme 1988 & NRE deposits.
MONETARY LIMIT FOR ADDITIONAL INTEREST FOR STAFF	• **For amounts up to Rs.2 cr.** • This ceiling is applicable to all types of term deposits standing in the name of the Staff as the principal account holder at one or more branches put together. A declarationto this effect that the money belongs to staff to be obtained.

ADDITIONAL BENEFITS FOR EX-STAFF SENIOR CITIZEN	• **Additional interest of 1.50% p.a payable** • The additional rate would be offered on deposits of 7 days to 10 years on all depositsexcepting for Capital Gain Scheme 1988 & NRE deposits.
MONETARY LIMITFOR ADDITIONALINTEREST FOR EX-STAFF SENIOR CITIZEN	• **For amounts Up to Rs.10 cr.** • This ceiling is applicable to all types of term deposits standing in the name of the Ex-Staff cum Senior Citizen as the principal account holder at one or more branches put together. However, no Single deposit to be opened in a day for more than Rs 2 Cr within the overall limit of Rs 10 Cr tagged to a single CIF.
ADDITIONAL BENEFITS FOR ASSOCIATION OF STAFF LIKE REGISTERED ASSOCIATION, UNION & EMPLOYEES THRIFT& CREDIT SOCIETY	• **Additional interest of 1.00% p.a payable** • Additional rate would be offered on deposits where all the members of the Association, Union or Thrift and Credit Society are staff members on all deposits of 7 days to 10 years except for deposits under Capital Gain Scheme 1988 & NRE and less than Rs.2 cr

NOMINATION FACILITY	• Available
ROLL OVER FEATURES	• Available Automatic renewal facility for period of original deposit after 10 yearsaccount to be closed and opened afresh.
PRECLOSURE FACILITY	• Available
PRECLOSURE PENALTY	• As per the existing penalty structure
LOAN AGAINST DEPOSIT	• Loans may be granted, at the discretion of the bank, subject to maximum of 90% of the deposit amount, interest on the loan at a rate 2% higher than the rate applicable to the deposit plus interest tax as prescribed from time to time by the Government. • If the deposit against which loan is given is foreclosed, then the rate of interest charged in the loan will be 2% higher than the rate paid on such foreclosed deposit subject however to the conditions that if no interest is provided for the deposit, the loan will be at normal rates.
TDS	• As applicable
FORM 15G /15H	• Wherever eligible can be submitted in branch or online for customers having netbanking facility
ANY OTHER INFORMATION RELEVANT TO THE PRODUCT	• Payment of deposit amount including interest if exceeds Rs.20000/- or other aggregate of deposits held by a customer in his sole name or jointly with others on the date of payment of any one deposit exceeds Rs.20000., shall be made by way of Account Payee crossed cheque/draft or by way credit to SB/CA of the depositor(s) or NEFT/RTGS. • Whenever addition/deletion/substitution of names in a deposit account is made, branches should obtain a fresh nomination from all the joint deposit holders, after such addition/deletion/substitution.

3. SHORT TERM DEPOSIT SCHEME (STD)

SCHEME	Term deposits repayable after an agreed period fixed at the time of deposit withinterest payment on maturity of the deposit along with the principal.
TARGET CUSTOMERS	• A person in his/her own name; • Minor(s) represented by his/her/their guardian; • Two persons with one of the following clauses: • A. Jointly B. Either or Survivor & C. Former or Survivor • More than two persons repayable either (a) jointly or (ii) to anyone or thesurvivor(s) of them: • A firm, a company or an association in its name
AMOUNT	Minimum Deposit - Rs.1000/- and multiples of Rs.100/-No maximum amount.
MODE OF INTEREST PAYMENT	Interest payable is renewed with principal on maturity.
TENOR OFFERED	Minimum 7 Days Maximum 180 Days
INTEREST PAY OUT FREQUENCY	Interest would be paid along with principal on maturity subject to TDS.
ADDITIONAL BENEFITS FOR SENIOR CITIZEN	• **Additional interest of 0.50% p.a payable** • Additional rate would be offered on all deposits of 7 days to 10 years except for deposits under Capital Gain Scheme 1988 & NRE. • However, in the case of term deposits standing in the name of an HUF, the Karta of the HUF is not eligible for higher rate of interest, even if he is a senior citizen, as the beneficial owner of the deposit is the HUF and not the Karta in his individual capacity
MONETARY LIMITFOR ADDITIONALINTEREST FOR SENIOR CITIZEN	• **For amounts up to Rs.10 cr.** • This ceiling is applicable to all types of term deposits standing in the name of the Senior Citizen as the principal account holder at one or more branches put together. • However, no single deposit to be opened in a day for more than Rs 2 Cr within the overall limit of Rs 10 Cr tagged to a single CIF.
ADDITIONAL BENEFITS FOR STAFF	• **Additional interest of 1.00% p.a payable** • The additional rate would be offered on deposits of 7 days to 10 years on alldeposits excepting for Capital Gain Scheme 1988 & NRE deposits.
MONETARY LIMIT FOR ADDITIONAL INTEREST FOR STAFF	• **For amounts up to Rs.2 cr.** • This ceiling is applicable to all types of term deposits standing in the name of the Staff as the principal account holder at one or more branches put together. A declaration to this effect that the money belongs to staff to be obtained.
ADDITIONAL BENEFITS FOR EX-STAFF SENIOR CITIZEN	• **Additional interest of 1.50% p.a payable** • The additional rate would be offered on deposits of 7 days to 10 years on alldeposits excepting for Capital Gain Scheme 1988 & NRE deposits.

MONETARY LIMITFOR ADDITIONALINTEREST FOR EX-STAFF SENIOR CITIZEN	• **For amounts Up to Rs.10 cr.** • This ceiling is applicable to all types of term deposits standing in the name of the Ex-Staff cum Senior Citizen as the principal account holder at one or more branches put together. However, no Single deposit to be opened in a day for more than Rs 2 Cr within the overall limit of Rs 10 Cr tagged to a single CIF.
ADDITIONAL BENEFITS FOR ASSOCIATION OF STAFF LIKE	• **Additional interest of 1.00% p.a payable** • Additional rate would be offered on deposits where all the members of theAssociation, Union or Thrift and Credit Society are staff members on all deposits

REGISTERED ASSOCIATION, UNION & EMPLOYEES THRIFT& CREDIT SOCIETY	of 7 days to 10 years except for deposits under Capital Gain Scheme 1988 & NREand less than Rs.2 cr
NOMINATION FACILITY	• Available
ROLL OVER FEATURES	• Available Automatic renewal facility for period of original deposit after 10 yearsaccount to be closed and opened afresh.
PRECLOSURE FACILITY	• Available
PRECLOSURE PENALTY	• As per existing penalty structure
TDS	• As applicable
15G /15H	• Wherever eligible can be submitted in branch or online for customers having netbanking facility
LOAN AGAINST DEPOSIT	• Loans may be granted, at the discretion of the bank, subject to maximum of 90% of the deposit amount, interest on the loan at a rate 2% higher than the rate applicable to the deposit plus interest tax as prescribed from time to time by theGovernment. • If the deposit against which loan is given is foreclosed, then the rate of interest charged in the loan will be 2% higher than the rate paid on such foreclosed deposit subject however to the conditions that if no interest is provided for the deposit, the loan will be at normal rates.

ANY OTHER INFORMATION RELEVANT TO THE PRODUCT	• Payment of deposit amount including interest if exceeds Rs.20000/- or other aggregate of deposits held by a customer in his sole name or jointly with others on the date of payment of any one deposit exceeds Rs.20000., shall be made by way of Account Payee crossed cheque/draft or by way credit to SB/CA of the depositor(s) or NEFT/RTGS. • Whenever addition/deletion/substitution of names in a deposit account is made, branches should obtain a fresh nomination from all the joint deposit holders, after such addition/deletion/substitution.

4. RECURRING DEPOSIT SCHEME (RD)

SCHEME	The account holder deposits a fixed sum of money by way of monthly instalments overa stipulated period and on the expiry of this period, the instalments paid in are repaid along with interest accumulated thereon, in a lump sum.
TARGET CUSTOMERS	• A person in his/her own name; • Minor(s) represented by his/her/their guardian; • Two persons with one of the following clauses: A. Jointly B. Either or Survivor & C. Former or Survivor • More than two persons repayable either (a) jointly or (ii) to anyone or more amongthem or the survivor(s) of them: • A firm, a company or association in its name
AMOUNT	Minimum Deposit - Rs.100/- and multiples of Rs.100/- No maximum amount. The monthly installments may be made on or before the lastworking day of the month.
MODE OF INTEREST PAYMENT	Interest payable is paid on maturity or preclosure.
TENOR OFFERED	Minimum 6 Months and multiples of 3 months Maximum 10 years
INTEREST PAY OUT FREQUENCY	Interest would be paid along with principal on maturity subject to TDS.
ADDITIONAL BENEFITS FOR SENIOR CITIZEN	• **Additional interest of 0.50% p.a payable** • Additional rate would be offered on all deposits of 7 days to 10 years except fordeposits under Capital Gain Scheme 1988 & NRE. • However, in the case of term deposits standing in the name of an HUF, the Karta of the HUF is not eligible for higher rate of interest, even if he is a senior citizen, as thebeneficial owner of the deposit is the HUF and not the Karta in his individual capacity

MONETARY LIMIT FOR ADDITIONAL INTEREST FOR SENIOR CITIZEN	• **For amounts up to Rs.10 cr.** • This ceiling is applicable to all types of term deposits standing in the name of the Senior Citizen as the principal account holder at one or more branches put together. • However, no single deposit to be opened in a day for more than Rs 2 Cr within theoverall limit of Rs 10 Cr tagged to a single CIF.
ADDITIONAL BENEFITS FOR STAFF	• **Additional interest of 1.00% p.a payable** • The additional rate would be offered on deposits of 7 days to 10 years on all depositsexcepting for Capital Gain Scheme 1988 & NRE deposits.
MONETARY LIMIT FOR ADDITIONAL INTEREST FOR STAFF	• **For amounts up to Rs.2 cr.** • This ceiling is applicable to all types of term deposits standing in the name of the Staff as the principal account holder at one or more branches put together. A declaration to this effect that the money belongs to staff to be obtained.
ADDITIONAL BENEFITS FOR EX-STAFF SENIOR CITIZEN	• **Additional interest of 1.50% p.a payable** • The additional rate would be offered on deposits of 7 days to 10 years on all depositsexcepting for Capital Gain Scheme 1988 & NRE deposits.
MONETARY LIMIT FOR ADDITIONAL	• **For amounts Up to Rs.10 cr.**

INTEREST FOREX-STAFF SENIOR CITIZEN	• This ceiling is applicable to all types of term deposits standing in the name of the Ex- Staff cum Senior Citizen as the principal account holder at one or more branches puttogether. However, no Single deposit to be opened in a day for more than Rs 2 Cr within the overall limit of Rs 10 Cr tagged to a single CIF.
ADDITIONAL BENEFITS FOR ASSOCIATION OF STAFF LIKE REGISTERED ASSOCIATION,UNION & EMPLOYEES THRIFT & CREDIT SOCIETY	• **Additional interest of 1.00% p.a payable** • Additional rate would be offered on deposits where all the members of the Association, Union or Thrift and Credit Society are staff members on all deposits of 7 days to 10 years except for deposits under Capital Gain Scheme 1988 & NRE and lessthan Rs.2 cr

NOMINATIONFACILITY	Available
ROLL OVERFEATURES	Recurring deposit account where stipulated instalments are not paid, but has completed the agreed period should be treated as discontinued account. Such accounts become repayable on the ostensible maturity date. If they are not withdrawn on the due date, they would be transferred to Overdue Deposit Account.
PRECLOSUREFACILITY	The bank may, at its discretion, consider payment of the deposit before the due date. In such cases, the bank will pay interest at a rate with penalty applicable to the period for which the deposit has run. The rate of penalty will be the rate prevailing on the date on which the deposit was opened. Recurring deposit accounts of employees and other eligible categories qualify for preferential rate of interest at 1% above the standard rate of interest. For accounts closed before maturity, interest shall be paid with penalty, if any, applicable to the period for which the deposit has actually run, ruling on the date of deposit
PRECLOSUREPENALTY	As per applicable penalty structure
TDS	As applicable
15G /15H	Wherever eligible can be submitted in branch or online for customers having net bankingfacility
LOAN AGAINSTDEPOSIT	The bank may grant loans on the security of the deposit held in the Recurring Depositaccounts up to a maximum of 90% of the balance at credit.
ANY OTHER INFORMATION RELEVANT TO THE PRODUCT	• If frequent defaults are observed in the monthly deposit agreed upon, and six installments consecutively fall in arrears, the bank may treat the account as discontinued and the amount for which, the depositor is eligible, will be paid to him, along with interest applicable. • Discontinued RD account should be paid. Such accounts become repayable on the ostensible maturity date. If they are not withdrawn on the due date, they should be transferred to Overdue Deposit Account. Discontinued deposit accounts remaining undrawn, even after the ostensible maturity date, will not earn any interest thereafter • If the account is closed within 3 months, service charges if any to be recovered. No interest. • Recurring deposit account where stipulated instalments are not paid, but has completed the agreed period should be treated as discontinued account. • If the monthly installments are not paid on or before the last working day of the calendar month, the installments should be deemed to have fallen in arrears. • Penal interest will be charged at applicable rate for every Rs.100 per month . Penal interest for defaulted

	installments may be set off against payment of equal number ofadvance installments. • Staff members are not exempted from the provisions of penalty for late payment • Whenever addition/deletion/substitution of names in a deposit account is made, branches should obtain a fresh nomination from all the joint deposit holders, after such addition/deletion/substitution.

5. VARIABLE RECURRING DEPOSIT SCHEME (VRD)

SCHEME	• Variable Recurring Deposit scheme has been designed to give the customer the option to vary his instalments every month subject to certain conditions, for a fixed period, specified at the time of opening the account. • This meets the requirements of our customers, who are willing to save variable sums of money every month depending on their ability. • It is quite convenient since the customer will not be required to open a new account for each Deposit.
TARGET CUSTOMERS	• A person in his/her own name; • Minor(s) represented by his/her/their guardian; • Two persons with one of the following clauses: • A. Jointly B. Either or Survivor & C. Former or Survivor • More than two persons repayable either (a) jointly or (ii) to anyone or thesurvivor(s) of them: • A firm, a company or an association in its name
AMOUNT	• Initial deposit Rs.500 or in multiples of Rs.100 upto a maximum of Rs.1 lakh. • Can vary subsequent monthly installment subject to a maximum of Rs.10lakhs per month.
MODE OF INTEREST PAYMENT	Interest payable is paid on maturity or preclosure.
TENOR OFFERED	Minimum 3 years Maximum 3 years
INTEREST PAY OUT FREQUENCY	Quarterly compounding. Interest would be paid on the minimum balancebetween 10th and last day of the month and credited to VRD.
ADDITIONAL BENEFITS FOR SENIOR CITIZEN	• **Additional interest of 0.50% p.a payable** • Additional rate would be offered on all deposits of 7 days to 10 years except for deposits under Capital Gain Scheme 1988 & NRE. • However, in the case of term deposits standing in the name of an HUF, the Karta of the HUF is not eligible for higher rate of interest, even if he is a senior citizen, as the beneficial owner of the deposit is the HUF and not the Karta in his individual capacity

MONETARY LIMIT FOR ADDITIONAL INTEREST FOR SENIOR CITIZEN	• **For amounts up to Rs.10 cr.** • This ceiling is applicable to all types of term deposits standing in the name of the Senior Citizen as the principal account holder at one or more branches put together. • However, no single deposit to be opened in a day for more than Rs 2 Cr within the overall limit of Rs 10 Cr tagged to a single CIF.
ADDITIONAL BENEFITS FOR STAFF	• **Additional interest of 1.00% p.a payable** • The additional rate would be offered on deposits of 7 days to 10 years on alldeposits excepting for Capital Gain Scheme 1988 & NRE deposits.
MONETARY LIMIT FOR ADDITIONAL INTEREST FOR STAFF	• **For amounts up to Rs.2 cr.** • This ceiling is applicable to all types of term deposits standing in the name of the Staff as the principal account holder at one or more branches put together. A declaration to this effect that the money belongs to staff to be obtained.
ADDITIONAL BENEFITS FOREX-STAFF SENIOR CITIZEN	• **Additional interest of 1.50% p.a payable** • The additional rate would be offered on deposits of 7 days to 10 years on alldeposits excepting for Capital Gain Scheme 1988 & NRE deposits.
MONETARY LIMIT FOR ADDITIONAL INTEREST FOREX-STAFF SENIOR CITIZEN	• **For amounts Up to Rs.10 cr.** • This ceiling is applicable to all types of term deposits standing in the name of the Ex-Staff cum Senior Citizen as the principal account holder at one or more branches put together.

	However, no Single deposit to be opened in a day for more than Rs 2 Crwithin the overall limit of Rs 10 Cr tagged to a single CIF.
ADDITIONAL BENEFITS FORASSOCIATION OF STAFF LIKE REGISTERED ASSOCIATION, UNION & EMPLOYEES THRIFT & CREDIT SOCIETY	• **Additional interest of 1.00% p.a payable** • Additional rate would be offered on deposits where all the members of the Association, Union or Thrift and Credit Society are staff members on all deposits of 7 days to 10 years except for deposits under Capital Gain Scheme 1988 & NRE and less than Rs.2 cr
NOMINATION FACILITY	• Available
ROLL OVER FEATURES	• No roll over permitted
PRECLOSURE FACILITY	• The bank may, at its discretion, consider payment of the deposit before the due date. In such cases, the bank will pay interest at a rate with penalty applicable to the period for which the deposit has run. The rate of penalty will be the rate prevailing on the date on which the deposit was opened. Recurring deposit accounts of employees and other eligible categories qualify for preferential rate of interest at 1% above the standard rate of interest. For accounts closed before maturity, interest shall be paid with penalty, if any, applicable to the period for which

	the deposit has actually run, ruling on the date of deposit
PRECLOSURE PENALTY	• As per existing penalty structure
TDS	• As applicable
15G /15H	• Wherever eligible can be submitted in branch or online for customers havingnet banking facility
LOAN AGAINST DEPOSIT	The bank may grant loans on the security of the deposit held in the VariableRecurring Deposit accounts up to a maximum of 90% of the balance at credit.
ANY OTHER INFORMATION RELEVANTTO THE PRODUCT	• No penal interest on delayed payment of installments. • Whenever addition/deletion/substitution of names in a deposit account is made, branches should obtain a fresh nomination from all the joint deposit holders, after such addition/deletion/substitution.

6. CAPITAL GAINS SCHEME

SCHEME	RBI vide its letter DBOD / BP No. 2090 / C.469-88 dated 10.06.1988 notified the introduction of 'The Capital Gains Account Scheme 1988' formulated by GOI, Ministry of Finance, Department of Revenue (Central Board of Direct Taxes). Under the Scheme the tax payers are entitled to avail benefit of exemption from capital gains only when the amount of capital gains or the net consideration is deposited in Public Sector Banks on or before their due date of filing a return of income in accordance with the scheme. **All the Branches except rural Branches are authorized to accept deposits under the Scheme.**
TARGET CUSTOMERS	• All assessees who are eligible for exemption under Section 54, 54 B, 54 D, 54 F or54 G of the Income Tax Act 1961 (43 of 1961) can deposit under this scheme. • Resident individuals • Body of individuals • HUF • Sole Proprietorship Firms • Partnership Firms • Companies • Association of Persons, • NRIs • Artificial Judicial person who have capital gains taxable in India.
AMOUNT	Minimum Deposit - Rs.1000/- No maximum amount.

MODE OF INTEREST PAYMENT	• Interest payable is paid on quarterly interval or monthly interval at a discount oron maturity or preclosure. (customer's choice)
TENOR OFFERED	**Minimum 7 days** **Maximum 3 years**
INTEREST PAY OUT FREQUENCY	Interest on quarterly or even on monthly basis with a discount or on maturity
ADDITIONAL INTEREST FOR SENIOR CITIZEN	Additional interest offered to Senior Citizen is not extended to this product
ADDITIONAL BENEFITS FOR STAFF	No additional interest rate benefit for Staff & Retired Staff
NOMINATION FACILITY	Available, Maximum 3 permitted
ROLL OVER FEATURES	Maximum period of rollover restricted to 3 years
PRECLOSURE FACILITY	Available
PRECLOSURE PENALTY	As per the existing penal structure
TDS	As applicable
15G /15H	Wherever eligible can be submitted in branch or online for customers having netbanking facility
LOAN AGAINST DEPOSIT	No Loan facility against this deposit is eligible
ANY OTHER INFORMATION RELEVANT TO THE PRODUCT	Application with specific authority letter or certificate from the Income Tax Officer of the respective jurisdiction should be furnished for closure of account. The closure will be allowed on the terms mentioned in letter of authority In case of death of depositor, the nominee shall apply for closure with the approvalof Assessing Officer having jurisdiction over deceased depositor and in absence of nomination, legal heirs may do so.

Sl.No.	Section	Nature of Capital Gain	Eligible Applicants	Maximum Time period of deposit
1	54	Capital Gain arising from the transfer of long term capital assets being building or land appurtenant thereto used for residential purpose, income of which is chargeable to income from house property	Individual or HUF	3 years

2	54B	Capital Gain arising from the transfer of long termcapital assets being land used for agriculture purpose in the 2 years.	Individual or HUF	2 years
3	54D	Capital Gains arising from the transfer by way of compulsory acquisition under any law of a capital asset being any land and building or any right in land or building forming part of industrial undertaking.	Any Person	3 years
4	54F	Capital Gain arising from the transfer of long term capital assets not being used for residential purpose, however, in case of investment in residential house property	Individual or HUF	3 years
5	54G	Capital Gain arising from the transfer of long term capital assets being machinery or land or plant or any right in building or land used for the purpose of business of an Industrial undertaking situated in urban Area.	Any Person	3 years
6	54GA	Capital Gain arising from the transfer of long term capital assets being machinery or land or plant or any right in building or land used for the purpose of business of an Industrial undertaking situated in urban Area effected in course of shifting industrial undertaking to SEZ whether developed in any urban area or any other area	Any Person	3 years
7	54GB	Capital Gain arising from the transfer of long term capital assets transfer of residential property	Any Person	1 year

7. TAX SAVER SCHEME

SCHEME	Central Government vide notification 203 of 2006 dated 28.7.2006 has formulated the Bank Term Deposit Scheme,2006 which would be eligible for deduction under Section80C of Income Tax Act..
TARGET CUSTOMERS	• Individual or Hindu Undivided family, having Income Tax Permanent AccountNumber • The joint holder type deposit receipt may be issued to two adults or jointly to an adultand a minor and payable to either of the holders or to the survivor • Provided that in the case of joint holder type deposit, the deduction from incomeunder Section 80C of the Act shall be available only to the first holder of the deposit
AMOUNT	Minimum Deposit - Rs.1000/- Maximum Amount –Rs.150000/- in a financial year.
INTEREST PAY OUT FREQUENCY	Interest on quarterly or even on monthly basis with a discount or on maturity
TENOR OFFERED	Minimum 5 years Maximum 10 years
INTEREST PAYOUT FREQUENCY	Interest on quarterly or even on monthly basis with a discount
ADDITIONAL BENEFITS FORSENIOR CITIZEN	• **Additional interest of 0.50% p.a would be paid** • However, in the case of term deposits standing in the name of an HUF, the Karta of the HUF is not eligible for higher rate of interest, even if he is a senior citizen, as the beneficial owner of the deposit is the HUF and not the Karta in his individual capacity
MONETARY LIMIT FOR ADDITIONAL INTEREST FORSENIOR CITIZEN	• **For Tax Saver only Rs.150000/- in a financial year subsumed in the maximum limit up toRs.10 Crores.** • This ceiling is applicable to all types of term deposits standing in the name of the SeniorCitizen as the principal account holder at one or more branches put together.
ADDITIONAL BENEFITS FORSTAFF	• **Additional interest of 1.00% p.a would be paid**
MONETARY LIMIT FOR ADDITIONAL INTEREST FORSTAFF	• **For Tax Saver only Rs.150000/- in a financial year subsumed in the maximum limit up toRs.2 Crores** • This ceiling is applicable to all types of term deposits standing in the name of the Staffas the principal account holder at one or more branches put together.

ADDITIONAL BENEFITS FOREX-STAFF SENIOR CITIZEN	• **Additional interest of 1.50% p.a would be paid**
MONETARY LIMIT FOR ADDITIONAL INTEREST FOR EX-STAFF	• **For Tax Saver only Rs.150000/- in a financial year subsumed in the maximum limit up toRs.10 Crores** • This ceiling is applicable to all types of term deposits standing in the name of the Ex- Staff Senior Citizen as the principal account holder at one or more branches put together.

SENIOR CITIZEN	However, no Single deposit be opened in a day for more than Rs 2 Cr within theoverall limit of Rs 10 Cr tagged to a single CIF.
NOMINATION FACILITY	Available
ROLL OVER FEATURES	Upon completion of 5 years, the deposit would be moved to normal term deposit for thesame tenor.
PRECLOSURE FACILITY	Not available generally but on the death of the primary account holder , can bepreclosed through User Type 42 at Zonal Office .
PRECLOSURE PENALTY	In case of death of primary account holder preclosure penalty not applicable
TDS	As applicable
15G /15H	Wherever eligible can be submitted in branch or online for customers having net bankingfacility
LOAN AGAINST DEPOSIT	Term deposit shall not be pledged to secure loan or as security to any other asset for aperiod of five years from the date of deposit.
ANY OTHER INFORMATION RELEVANT TO THE PRODUCT	• Payment of deposit amount including interest if exceeds Rs.20000/- or other aggregate of deposits held by a customer in his sole name or jointly with others on the date of payment of any one deposit exceeds Rs.20000/- shall be made by way of Account Payee crossed cheque/draft or by way credit to SB/CA of the depositor(s) or NEFT/RTGS. • Whenever addition/deletion/substitution of names in a deposit account is made, branches should obtain a fresh nomination from all the joint deposit holders, after such addition/deletion/substitution. .

8.Motor Accident Claim Tribunal Deposit (MACAD) Scheme

SCHEME	• In terms of Honorable High Court of Delhi directions and as advised by IBA, a special scheme has been formulated for disbursement of compensation to the victims of the Road Accidents & Train Accidents. • This products have been created on the lines suggested by the court viz., Motor Accident Claims Annuity Deposit (MACAD) with facility of EMI (Equated Monthly Instalments) & PED (Principal Equally Distributed along with monthly interest). As decided by the court and option exercised by the customer, the appropriate product can be chosen. Additionally, specific Savings Bank product viz., MACT SB for crediting the monthly annuity from MACAD has also been created.
TARGET CUSTOMERS	Individuals including Minors through guardian in a single name.
AMOUNT	Minimum – Based on minimum monthly annuity of R1000/- for the relevantperiod Maximum – No limit
INTEREST PAY OUT FREQUENCY	Interest on monthly basis along with principal with facility of EMI or PED option.
TENOR OFFERED	• Minimum 3 years • Maximum 18 years (as per the directions of the tribunal / court)
INTEREST PAY OUT FREQUENCY	• The annuity amount on a monthly basis net of TDS, will be credited to theMACT Savings Bank account
ADDITIONAL BENEFITS FOR SENIOR CITIZEN	• **Additional interest of 0.50% p.a would be paid** • The additional rate would be offered on deposits of 7 days to 10 years onall deposits excepting for Capital Gain Scheme 1988 & NRE deposits. • However, in the case of term deposits standing in the name of an HUF, theKarta of the HUF is not eligible for higher rate of interest, even if he is a senior citizen, as the beneficial owner of the deposit is the HUF and not the Kartain his individual capacity
MONETARY LIMIT FOR ADDITIONAL INTEREST FOR SENIOR CITIZEN	Monetary ceiling is not applicable.
ADDITIONAL BENEFITS FOR STAFF	Additional interest of 1.00% p.a would be paid
MONETARY LIMIT FOR ADDITIONAL INTEREST FOR STAFF	Monetary ceiling is not applicable
ADDITIONAL BENEFITS FOR EX-STAFF SENIOR CITIZEN	Additional interest of 1.50% p.a would be paid

MONETARY LIMIT FOR ADDITIONAL INTEREST FOR EX-STAFF SENIOR CITIZEN	Monetary ceiling is not applicable
ADDITIONAL BENEFITS FOR ASSOCIATION OF STAFF LIKE REGISTERED ASSOCIATION, UNION & EMPLOYEES THRIFT &CREDIT SOCIETY	Not applicable
NOMINATION FACILITY	Available Name of the nominee will be communicated by the Court
ROLL OVER FEATURES	Rollover not applicable as it is an annuity product.
PRECLOSURE FACILITY	• Premature closure or part lumpsum payment of MACAD will be made with the permission of Tribunal or Court. • In case of premature closure, rate of interest will be applicable for the period the annuity deposit has remained with the Bank. Excess interest paid, if any, will be recovered from the principal amount outstanding in the

	account. If principal amount is not sufficient to recover the excess interest paid, then premature payment will not be allowed. • Similarly, in case of part lumpsum payment, the excess interest paid, if any, will be recovered from the residual balance before making the payment. Thereafter the annuity deposit for the balance shall be made for the remaining tenure at the interest rate applicable on the date of reissue. If residual balance is not sufficient to recover the excess interest paid, then part lumpsum payment will not be allowed. If remaining tenure is less than 36 months, normal Term deposit will be issued. • In case of death of the claimant, payment would be made to the nominee. The nominee has an option to continue with the annuity or seekpre-closure
PRECLOSURE PENALTY	Preclosure penalty is not applicable
TDS	As applicable
15G /15H	Wherever eligible can be submitted in branch or online for customers havingnet banking facility
LOAN AGAINST DEPOSIT	No Loan or advance shall be allowed against the Annuity Deposit
ANY OTHER INFORMATION RELEVANT TO THE PRODUCT	• For deposits with maturity period exceeding 120 months, the rate of interest applicable for tenure of 120 months would be applicable or as decided by ALCO from time to time. • No receipt will be issued to depositors and instead passbook /statement will be issued • Annuity payment/ Premature closure payment / Part lump sum payment will be made through the linked MACT claims SB account only. • Interest amount calculation is rounded off to the nearest rupee value. Due to this, and application of TDS, there can be variation in the last annuity instalment.

9. IB Golden Ager – Term Deposit Product for Super Senior Citizens

Target Group	Senior Citizens of age 80 years and above.
Nature of the Product	Term Deposit (STD/FD/MMD/RD)
Eligible Customers	**Super Senior Citizens with age 80 years and above** as on the date of opening of account. Any valid KYC documents containing age/DOB as per existing KYC policy of RBI can be accepted as proof of age. Birth Certificate or any other valid proof containing age/ date of birth can also be accepted as proof of age.
Period	Min.- 7 days Max- 10 Years
Mode of operation	**Self & Former or Survvior**
Nomination	Mandatory
Minimum/Max Balance	Min-Rs.1000/- ; Max- Rs.10 Cr.** **No Single deposit be opened in a day for more than ₹2 Cr within overall limit of ₹10 Crtagged to a single CIF to avail additional interest facility.
Additional Rate of Interestover the card rate for respective buckets	Up to 5 years–(0.50+0.25) = **0.75%** & Above 5 Years up to 10 Years – 0.50+0.25 +0.25 =**1.00%**
Premature closure	For premature withdrawal, charges as applicable to normal deposits would apply.
Availability of Loan/Overdraft	Loan/Overdraft facility to be permitted up to 90% of outstanding balance at the rate of2% over the interest paid on deposit.
Validity of Scheme	**Facility would be extended /withdrawn at the discretion of the Bank.**
Other Terms & conditions	1. The account should be fully KYC compliant. Valid PAN/Form-60 should be obtainedwherever applicable
	2. Auto Rollover under the products will be in the respective maturity bucket if nomandate is given.
	3. In case the scheme is discontinued, the deposits maturing thereafter placed under this special product would automatically be rolled over to General senior citizen product under the respective maturity bucket.

	4. Term Deposits can be transferred from one branch to other branch at the request ofthe customer. 5. Mode of Payment: Maturity proceeds may be credited to SB/CA account of thecustomer. In case where there are no operative accounts of the customer, maturity proceeds will be paid by DD/NEFT/RTGS/IOI. 6.TDS will be deducted as per applicable rate

10. IND SWAGAT

SCHEME	Bank has launched "**Ind-Swagath**" an Online Term Deposit for New Customer. The product is available to our Tech Savvy Customers through our Bank's website foropening of Term Deposit (MMD only) using the specially curated link.
TARGET CUSTOMERS	❖ New Customers
KYC Requirements	❖ Valid PAN ❖ Valid Aadhaar Number ❖ Valid Mobile Number Linked with Aadhaar ❖ E-mail ID
DEPOSIT AMOUNT	**Minimum - Rs.10000/- (Ten Thousand Only) Maximum - Rs.90000/- (Ninety Thousand Only)**
TENOR OFFERED	❖ **181 days to 269 days** ❖ **270 days to less than 1 year** ❖ **Exact 1 year**
RATE OF INTEREST	Retail Term Deposit Card Rate.
ADDITIONAL INTEREST FOR SENIOR CITIZENS	Additional interest of **0.50% p.a** for Senior Citizen. Additional interest of **0.25% p.a** for Super Senior Citizen over and above Senior Citizen ROI.
ADDITIONAL INTEREST FOR STAFF	Not Applicable
MODE OF INTEREST PAYMENT	At maturity. Maturity proceeds may be credited to SB/CA account of the customer. In case where there are no operative accounts of the customer, maturity proceeds willbe paid by DD or through NEFT/RTGS as per customer's choice.
NOMINATION FACILITY	Available
ROLL OVER OPTION	Auto roll over is allowed on completion of full KYC.
PRECLOSURE FACILITY	Available

PRECLOSURE PENALTY	As per existing norms.
LOAN AGAINST DEPOSIT	Not Applicable
TDS	As applicable
15G /15H	Wherever eligible can be submitted in Online.
ANY OTHER INFORMATION RELEVANT TO THE PRODUCT	➢ Valid PAN should be obtained. ➢ All other terms applicable to MMD Deposits to continue.

11. IND COURT

Target Group	Judiciary Bodies (Courts /Tribunals) ➢ Registrar General of the Court ➢ Presiding Officer **Except Motor Accident Claims Annuity Deposit accounts (MACAD)**
Deposit Amount **Tenor**	Minimum Rs.100/- Maximum No limit Minimum 7 days Maximum 10 years
Rate of Interest	For Deposit Below ₹2 Crs – Retail Card Rate For Deposit of ₹2 Crs and above- Bulk Card Rates
Mode of Interest Payment	Monthly / Quarterly / Maturity
Nomination Facility	Not Allowed
Roll Over Option	Available
Pre Closure Facility	Available Premature Closure to be allowed only after proper mandate has been received fromthe concerned authority.
PRECLOSURE PENALTY	As per existing norms.
LOAN AGAINST DEPOSIT	Not Allowed
TDS	Exempted under the guidelines of Circular No.23/2015 dated 28.12.2015 issued byCBDT, Dept. of Revenue under Ministry of Finance.
15G /15H	Not Applicable

Other Terms &Conditions	• System will allow opening of multiple term deposits in a single day through home branch for the following Non Personal CIF: -
	  • **0212- Non Personal – Judiciary**
	  • **0230- Registrar General of the Court**
	• User Type - 42 at Zonal Office to enable the above CIF for allowing opening of multiple term deposits based on the documentary evidence provided by the concerned branch.
	• The approval given by ZO user type 42 for opening deposits will be valid for only single day.
	• Conversion of other CIF to CIF type 0212 and 0230 is restricted at branch level.
	• The user type – 42 at Zonal Office is allowed to convert other CIF to CIF type 0212and 0230 only for genuine cases.
	• Relationship Linkage of CIF Beneficiary Owner (Authorised Signatory) with Nonpersonal CIF is to be is to be created using Code 0043 before opening the account.
	• Beneficiary Owner CIF should be CAPC verified.
	• The account should be fully KYC Compliant.
	• Valid PAN/Form-60 should be obtained wherever applicable.
	• Multiple Bulk Deposits can be opened only by Bulk Authorised Branches.
	• Loan against the Term Deposit Opened under this product is not allowed.
	• Home Branch change not allowed.
	• Branches/ZOs to ensure strict due diligence for not opening accounts of MACADScheme under this product and prevent any misuse of the relaxed facility.

12.IND NON-CALLABLE DEPOSIT

Term Depsoit Product without Premature withdrawal

SCHEME	Bank has launched a new term deposit product "***IND NON – CALLABLE DEPOSIT"*** which is a termdeposit wherein ***premature withdrawal is not allowed during the tenure of the deposit.*** The scheme is **applicable for the deposits of ₹ 15.01 Lacs and above**. However, at present, rateof Interest and CBS product codes under the scheme **are available for deposits of ₹2.00 Crore and above only.**
TARGET CUSTOMERS	Any Individual, Government department, PSU, Large Corporates.

DEPOSIT AMOUNT	Minimum – ₹15.01 Lacs (**At present minimum deposit is ₹2.00 Crore and above)** Maximum – No limit
TENOR OFFERED	Minimum; - 7 Days Maximum – 10 years
Rate of Interest	For deposits of ₹2 Crores and above - Bulk Deposit Card Rate as approved FIC
MODE OFINTEREST PAYMENT	The interest may be paid on monthly/ quarterly/ On Maturity . The monthly interest will be paid at discounted value whereas the same shall be quarterlycompounded in case of half-yearly and yearly payment of interest. For deposits held in maturity option, the maturity value of the deposit shall be calculated by system on quarterly compounding basis.
NOMINATION FACILITY	Allowed
ROLL OVER OPTION	Allowed
PRECLOSUREFACILITY	**Not Allowed*** (*However, In case of death of the Depositor (Single/ Joint)/ Bankruptcy/ winding up /directions by court/ regulators/ receiver/liquidator, Premature withdrawal is allowed & interest paid shall be as per the card rate for normal deposit for the period for which depositremained with us)
PRECLOSURE PENALTY	As per existing norms.
LOAN AGAINSTDEPOSIT	The option of Demand Loan/ Overdraft facility shall be available as per discretion of the bank& the existing guidelines.
TDS	Tax at source will be deducted as per the Income Tax regulations prevalent from time to time.
15G /15H	Not Applicable

ANY OTHER INFORMATION RELEVANT TO THE PRODUCT	• Home Branch change not allowed. • The account should be fully KYC Compliant. • Valid PAN should be obtained wherever applicable. • Premature Closure under exceptional circumstances will be allowed through User Type -42 at Zonal Office after proper recommendation from the branch and approval from Zonal Manager/Deputy Zonal Manager. • At present, the rate of Interest and CBS product codes are available for deposits of ₹2.00 Crore and above only .

13. "IND FLEXI FIX"

Term Deposit With Premature Partial Withdrawal Facility

Scheme	A special Term Deposit Product **"IND Flexi Fix "**under which the depositors are allowed to withdraw a part of their deposits prematurely without affecting the rate of interest or maturity date of the remaining part of the deposit. In other words, this product allows 4 premature partial withdrawals without closing the account. This scheme has been designed to garner sizeable deposits helping the bank to strengthen its term deposit portfolio besides giving the depositors maximum return without sacrificing their liquidity.
Target Customer	Govt. Department, PSU, Large Corporates are eligible for opening account under this product.
Minimum amount/ Maximum amount	Minimum Amount: **Rs.100.00 Crore** Maximum Amount : **No Limit.**
Type of account	STD/ MMD
Tenure	**15 days to 1 year**
Rate of interest	Bulk Card Rate
TDS	As applicable

Premature Withdrawal	❖ Amount of each Premature Partial withdrawal shall be minimum of Rs.10,00,000/- and in multiple of Rs.1,00,000/- thereafter. ❖ Premature Partial withdrawal will be allowed only for **4 times up to 25% of the deposit** during the tenor of the deposit, beyond which Partial Withdrawal is not allowed and if further withdrawal before maturity is required, the deposit is to be foreclosed. ❖ A total of maximum 15% withdrawal will be allowed in **first 3 partial withdrawal request with maximum cap of 5% of the deposit for each withdrawal. Last withdrawal allowed with a cap of 10% of the deposit.** ❖ Interest on the portion of the deposit partially withdrawn will be paid at the prevailing rate on the date of opening of the account for the period deposit remained subject to completion of minimum period of 07 days as per extantguidelines.

	❖ The balance deposit amount after Premature Partial Withdrawal would continue toearn the original contracted rate of interest for the period for which it was placed. ❖ Remaining 75% of the Balance can be prematurely withdrawn through final closureof the term deposit. ❖ Penalty for premature withdrawal of deposit will be applicable as per existing Bankcircularised guidelines. ❖ TDS as applicable will be deducted by the Bank at the time of each prematurewithdrawal. ❖ Only one withdrawal is permitted in a single day and if the premature withdrawalamount is more than Rs.5 Crores, **one-day prior intimation to Treasury is required.** ❖ Time Gap between subsequent premature partial withdrawals is minimum one day.

Other Terms & Conditions	▪ Branches to issue the specially designed passbook to the depositor and mandatorily obtain the undertaking of terms & conditions enclosed as annexure along with term deposit account opening form. ▪ **Branches authorised for accepting bulk deposits is only allowed to open deposits under this scheme.** ▪ Partial withdrawal/closure is allowed only at the home branch subject to applicable pre closure penalty. ▪ A request letter should be obtained for every partial withdrawal from the authorized signatory/ies. ▪ For every partial withdrawal, original passbook duly discharged by the authorised signatory should be surrendered by the depositor. ▪ The passbook is to be endorsed clearly mentioning the amount proposed to withdraw with proper discharge in respect of withdrawal made thereof on the last page of passbook. ▪ A fresh passbook with balance amount and revised maturity value will be issued with same account number after every partial withdrawal. ▪ Withdrawal proceeds will be credited only to the account from where original principal amount has been withdrawn for creating the Term Deposit ▪ GL-Routing Account can be used for crediting withdrawal proceeds for cases where no CA/SB accounts are maintained with the bank. ▪ Home Branch change not allowed. ▪ The withdrawn amount will not be refilled/ redeposited in the same account. ▪ Bank may at its discretion disallow withdrawal of large rupee term deposits of Rs.5.00 Crores and above, before completion of the deposit period agreed upon at the time of placing the deposit ▪ No Loan will be allowed against the deposit. ▪ Auto Renewal of the Product is restricted and would be rolled over to ODD product. On maturity, the maturity amount shall attract rate of interest as applicable to savings account or the contracted rate of interest on the matured TD, whichever islower. ▪ Branches to capture official email id and mobile number of authorized signatories at CIF level at the time of opening deposit account and enable SMS alert in the account. ▪ Closure guidelines to follow the Bulk Deposit premature closure approval by Zones.

14 .IND SUPER 400 DAYS

Fixed Maturity Term Deposit Product

SCHEME	Special Term Deposit Product **"IND SUPER 400 DAYS "**offering higher rate of interest withfixed maturity tenor of 400 days in the form of FD/MMD .
TARGET CUSTOMERS	❖ Individual (singly or jointly) / HUF ❖ NRI (NRO /NRE) ❖ Firm (Proprietorship/Partnership), Company, Association, Society, Club in its name. ❖ Religious, Charitable or Educational Institutions. ❖ Municipality or Panchayat, Government or Quasi Government Body
DEPOSIT AMOUNT	Minimum Amount: **10000 (Ten Thousand Only)** Maximum Amount: Less than Rs.2 Crore **Bulk deposits of Rs.2 crore & above are not eligible.**
PERIOD OF DEPOSIT	**400 Days**
RATE OF INTEREST	see table below
ADDITIONAL INTEREST RATE	**Senior Citizen**: 0.50 % p.a **Super Senior Citizen:** 0.75 % p.a **Staff:** 1.00% p.a. **Staff Senior Citizen:** 1.50% p.a. **Staff Super Senior Citizen:** 1.75 % p.a (Additional interest offered to Senior Citizens, Women & Staff are not applicable forNRO/NRE)
MODE OF INTEREST PAYMENT	Interest, net of TDS shall be payable on monthly/quarterly intervals or on maturity throughthe linked account (SB/CA) of the customer. In case where there are no operative accounts of the customer, maturity proceeds will bepaid by DD or through NEFT/RTGS as per customer's choice. No interest will be paid on deposits which remains for a period of less than 7 days.
NOMINATION FACILITY	Available Mandatory for Personal Customers
ROLL OVER OPTION	Auto Rollover under the product will be in the respective maturity bucket of regular callableproduct.
PRECLOSURE FACILITY	Allowed

RATE OF INTEREST

Description	**ROI (% p.a)**	**Effective from**
Public	**7.25 % p.a**	**20.04.2023**
Public	**7.10 % p.a**	**06.03.2023-19.04.2023**

PRECLOSURE PENALTY	As applicable to Normal Term Deposit products .
OVERDRAFT / LOAN AGAINST DEPOSIT	Can be availed digitally through INB/IND OASIS Channels. Loans may be granted at the discretion of the bank, as per the bank extant guidelines onloan against deposits.
TDS	At Applicable Rate as per Income Tax Act.
15G /15H	Wherever eligible can be submitted in Branch or through Online .

MODE OF ACCOUNT OPENING	Branch/ Internet Banking /IND OASIS
ANY OTHER INFORMATION RELEVANT TO THE PRODUCT	❖ **Scheme Valid up to 31/08/2023** ❖ Bank holds the right to extend/ withdraw the facility in full or in part at its discretionat any time in future. ❖ The account should be fully KYC compliant. Valid PAN/Form-60 should be obtainedwherever applicable. ❖ No backdating of deposit is permitted. ❖ Deposits related to RD, Tax Savings, MACAD, MODs, Capital Gains Scheme areexcluded under this scheme. ❖ Term Deposits can be transferred from one branch to other branch at the request ofthe customer. ❖ Accounts should be opened only under the product codes allotted specifically forthis category of deposits. ❖ All other terms and conditions in respect of existing domestic term deposit schemeare applicable to these products also.

15.IND SUPREME 300 DAYS

New Fixed Maturity Term Deposit Product

SCHEME	Special Term Deposit Product **"IND SUPREME 300 DAYS "** with fixed maturity tenor of 300 days in the form of FD/MMD.

TARGET CUSTOMERS	❖ Individual (singly or jointly) ❖ HUF ❖ NRI (NRO) ❖ Firm (Proprietorship/Partnership), Company, Association, Society, Club in its name. ❖ Religious, Charitable or Educational Institutions. ❖ Municipality or Panchayat, Government or Quasi Government Body ❖ Any other entity not prohibited by RBI.
DEPOSIT AMOUNT	Minimum Amount: **Rs. 5000 /- (Five Thousand Only)** Maximum Amount: Less than Rs.2 Crore Bulk deposits of Rs.2 crore & above are not eligible.
PERIOD OF DEPOSIT	**300 Days**
RATE OF INTEREST	**7.05 % p.a**
ADDITIONAL INTEREST RATE	**Senior Citizen**: 0.50 % p.a **Super Senior Citizen:** 0.75 % p.a **Staff:** 1.00% p.a. **Staff Senior Citizen:** 1.50% p.a. **Staff Super Senior Citizen:** 1.75 % p.a (Additional interest offered to Senior Citizens & Staff are not applicable for NRO Deposits)
MODE OF INTEREST PAYMENT	Interest, net of TDS shall be payable on monthly/quarterly intervals or on maturity through thelinked account (SB/CA) of the customer. In case where there are no operative accounts of the customer, maturity proceeds will bepaid by DD or through NEFT/RTGS as per customer's choice. No interest will be paid on deposits which remains for a period of less than 7 days.
NOMINATION FACILITY	Available Mandatory for Personal Customers
ROLL OVER OPTION	Auto Rollover under the product will be in the maturity bucket (270 days < 1 year) of regular term deposit product.
PRECLOSURE FACILITY	Allowed

PRECLOSUREPENALTY	As applicable for normal term deposits.
OVERDRAFT /LOAN AGAINST DEPOSIT	Can be availed digitally through INB/IND OASIS Channels. Loans may be granted at the discretion of the bank, as per the bank extant guidelines onloan against deposits.
TDS	At Applicable Rate as per Income Tax Act.
15G /15H	Wherever eligible can be submitted in Branch or through Online.
MODE OF ACCOUNT OPENING	Branch/ Internet Banking/ IND OASIS
ANY OTHER INFORMATION RELEVANT TO THE PRODUCT	❖ **Scheme Valid up to 31/08/2023.** ❖ Bank holds the right to extend/ withdraw the facility in full or in part at its discretion atany time in future. ❖ The account should be fully KYC compliant. Valid PAN/Form-60 should be obtainedwherever applicable. ❖ No backdating of deposit is permitted. ❖ Deposits related to RD, Tax Savings, MACAD, MODs, Capital Gains Scheme areexcluded under this scheme. ❖ Term Deposits can be transferred from one branch to other branch at the request ofthe customer. ❖ Accounts should be opened only under the product codes allotted specifically for thiscategory of deposits. ❖ All other terms and conditions in respect of existing domestic term deposit scheme are applicable to these products also.

Doorstep Banking

1. Pickup and delivery of Cash (against withdrawal slip and cheques) is restricted to Rs. 20,000/- per day

2. Pickup of Cheques/Drafts/Instruments for clearing

3. Delivery of Drafts

4. Pickup and delivery of FD/MMD receipts for renewal and payment

5. Pickup and delivery of SB/RD passbooks

6. Pickup of Life Certificate

7. Pick up of KYC Documents

8. Pickup of 15G/15H forms

9. Delivery of Account Statements

Scope of the Scheme

The facility of Doorstep Banking may be offered only to those customers in whose case proper KYCprocedures, as laid down by the Bank based on the instructions stipulated by Reserve Bank of India, havebeen complied.
The services can be offered either at the residence or at the office of the customer, the address shouldhave been clearly and explicitly mentioned in the agreement.
The "Scheme" is not restricted to any particular client /customer or class of customers

Format of Agreement for Doorstep Banking – D115

Eligible Customers

Corporate Customers, Government Departments, Public Sector Undertakings, Business firms and suchother establishments, who are having good business connections can avail all the above services.
Thosewho are having sufficient business connections / Elite customers, who is having business dealings with ourbank can avail the first three services

Threshold limit for extending Door Step Banking

For extending the service to our customers under Door Step Policy the following threshold limits are fixed:

a. For Savings Bank account customers a limit of Rs.1,00,000/- is fixed as monthly average balance for
three months
b. For Current Account customers a limit of Rs.3,00,000/- is fixed as quarterly Average balance for sixmonths
c. In case of customers enjoying working capital facilities a limit of Rs.10,00,000/- and above as on the dateof request with the following conditions :
i. The account should be Standard as on the date of applying for request. ii. Conduct and operations in theaccount to be satisfactory.
iii. The account should be renewed and all terms and conditions of latest sanction / renewal/review should have been complied with.

Service Charges:

As per Service Charge circular 18.11.2022

"PSB Alliance Doorstep Banking"

"PSB Alliance Doorstep Banking", has been developed through which, customer of any PSB can avail DSB from a 'touch point'.
In the initial phase of rollout, services will be offered in 100 centres pan India through M/s Integra Micro System Pvt. Ltd. & M/s Atyati Technologies Pvt. Ltd. DSB agents of M/s Integra will cover the 40 centres and the remaining 60 centres will be covered by the agents of M/s Atyati.

Service Charges:

Customers will be charged Rs. 75/- + GST for availing the service. It will be auto debited from the customer's account at the time of placing service request.

ATAL PENSION YOJANA (APY) :

Guaranteed Pension

In an effort to help the unorganized section of the Indian society, the Government of India introduced the —Atal Pension Yojana in June, 2015. The Atal Pension Yojana is administered by the PFRDA (Pension Fund Regulatory and Development Authority) under the National Pension System (NPS). APY, a pension scheme for citizen of India focused on the unorganized sector workers. Under this scheme, the guaranteed minimum pension of Rs. 1000/-, Rs 2000/-, Rs. 3000/- Rs. 4000/- and Rs. 5000/- per month will be given at the age of 60 years depending on the contributions by subscribers until the death of the subscriber. After the death of the account holder, the spouse will be entitled to get the exact same pension amount as the subscriber, until the death of the spouse. The nominee will receive the entire pension amount accrued by the account holder after the death of the subscriber and his spouse.

Eligibility:

The age of the subscriber should be between 18 to 40 years

He / she should have a savings bank account / open a savings bank account.

The prospective applicant should be in possession of mobile number and its details are to be furnished to the bank during registration.

Minimum contribution period is 20 years

Government Contribution:

Govt. of India would contribute 50% of the subscriber‘s contribution or Rs 1000 per annum whichever is lower to each eligible subscriber account for a period of five years i. e from 2015-16 to 2019-20. APY is now open to all subscribers regardless of their status of being a beneficiary of any statutory social security scheme or income tax payers. Guaranteed pension will be available to the above category of subscribers. However, the Government‘s co-contribution will not be available to them.

Defaulted Payments:

Branches need to inform subscribers for maintaining adequate balance in their bank account to facilitate the auto-debit from their account for monthly contributions. Non –maintenance of required balance in savings bank on specified date will be considered as default and attracts additional charges for the delayed payments.

Monthly contributions	Penalty
Up to Rs 100	Rs.1 per month
Rs 101 to Rs 500	Rs. 2 per month
Rs 501 to Rs 1000	Rs. 5 per month
Above Rs 1000	Rs 10 per month

The premium will be deducted from the account holder‘s savings bank account through ‘auto debit ‘facility in one installment on obtention of consent from the customer.

Withdrawal from APY:

When a subscriber completes 60 years, the guaranteed fixed pension amount would be given to him as per the contribution done previously with 100% annuitisation of benefits. Under specific circumstances like, the subscriber‘s untimely death or sudden illness occurring before the age of 60, the accrued pension amount will be handed out to the subscriber or the nominee. This will be applicable as mentioned in the Pension Fund Regulatory and Development Authority Regulations (Exits and Withdrawals under the National Pension System), 2015. Any subscriber who has got co- contribution from the Government can also voluntarily choose to withdraw or exit the Atal Pension Yojana scheme. The bank will refund only the contribution amount given by him including the interest earned on all the contributions. The account maintenance charges will be deducted from the refund amount. The co contribution amount from the Government and the interest earned for that amount will not be refunded. .

Government and the interest earned for that amount will not be refunded.

Revision of terms & conditions under PMJJBY & PMSBY (Reduction in premium for customers enrolling through electronic mode)

Hereafter the customers who are voluntarily enrolling in the schemes by electronic means viz., internet banking, mobile banking, web link based enrolment etc. will be benefitted with Rs.1/- and Rs.30/- (on yearly premium) under PMSBY and PMJJBY schemes respectively by way of reduced premium payable w.e.f 16.10.2021.

Adoption of e - Claim Portal for transmission of claim documents to LIC of India under PMJJBY Scheme

Department of Financial services(DFS), Govt of India(GoI) has advised Insurers and Banks to submit the claim documents electronically from Bank to Insurance Company for speedy disposal of claims. Our Bank, in association with LIC of India has adopted a e-Claim Portal enabled by LIC for electronic transformation of claim forms under PMJJBY, through a URL https://pmjjby.licindia.in//.,. Branches should lodge claims only through this portal from 06.09.2021 and should not send manual claims to CO:FID.

Benefits under PMJDY

- One basic savings bank account is opened for unbanked person.
- There is no requirement to maintain any minimum balance in PMJDY accounts.
- Interest is earned on the deposit in PMJDY accounts.
- Rupay Debit card is provided to PMJDY account holder.
- Accident Insurance Cover of Rs.1 lakh (enhanced to Rs. 2 lakh to new PMJDY accounts opened after 28.8.2018) is available with RuPay card issued to the PMJDY account holders.
- Life Insurance Cover of Rs. 30,000 to eligible PMJDY account holders who opened their account for the first time between 15.8.2014 to 31.1.2015 is

available.

- An overdraft (OD) facility up to Rs. 10,000 to eligible account holders is available.
- PMJDY accounts are eligible for Direct Benefit Transfer (DBT), Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY), Pradhan Mantri Suraksha Bima Yojana (PMSBY), Atal Pension Yojana (APY), and Micro Units Development & Refinance Agency Bank (MUDRA) scheme.
- Basic Savings Bank Deposit Account
- BSBD Account is designed as a Savings Bank account.
- The A/c will offer certain minimum facilities free of charge without any requirement of minimum balance.
- Account Holder can Deposit cash at bank branch as well as ATMs / BNAs (Bunch Note Acceptors).
- Receipt / credit of money through any electronic channel or by means of deposit / collection of cheques drawn by Central / State Government agencies and departments.
- No limit on number and value of deposits that can be made in a month.
- Minimum of 4 withdrawals in a month, including ATM withdrawals.
- Account holder is eligible for RuPay Card which can be used as ATM-cum-Debit Card.

Pradhan Mantri Jan Dhan Yojana – Scheme for Overdraft (OD) up to Rs 10000/- under PMJDY –

- The salient features as per Revised Guidelines of Overdraft facility under PMJDY are as follows,
- Existing overdraft (OD) limit to PMJDY account holders of Rs 5,000/- has been raised to Rs10,000/-
- Age limit of 18-60 years has been revised to 18-65 years.
- BSBD accounts, which are operated satisfactorily for at least six month, OD to be granted to the earning individual. There will not be any conditions attached for OD upto Rs 2,000/-.
- The account should be active with regular credits. Credits could be from DBT or DBTL or from any other source.
- Account should be authenticated with Aadhaar and mobile no. and mapped with NPCI. The mapping will remain and not to be changed without the consent of the concerned bank which has sanctioned the OD facility.

- BSBD account holder should not maintain any other SB account with same bank.(Under taking / declaration should be obtained from borrower)
- Aadhaar should be linked and authenticated demographically.
- Regular credits should be sufficient enough to service the interest charged on OD account on yearly basis.
- The accidental insurance cover for new RuPay card holders raised from existing Rs.1 lakh to Rs. 2 lakh to new PMJDY accounts opened after 28.8.2018.
- Branches should amend in the CBS screen 7050 by selecting Aadhaar details and mark "Y" in the drop down immediately after sanctioning the loan.

Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY):

PMJJBY will be an Insurance Scheme offering life insurance cover for death due to any reason. It would be a one year cover, renewable from year to year. The scheme would be offered / administered through LIC and other Life Insurance companies willing to offer the product on similar terms with necessary approvals and tie ups with Banks for this purpose. Participating banks will be free to engage any such life insurance company for implementing the scheme for their subscribers.

Eligibility: All individual account holders of participating banks in the age group of 18 to 50 years will be entitled to join. In case of multiple bank accounts held by an individual in one or different banks, the person would be eligible to join the scheme through one bank account only. Aadhar would be the primary KYC for the bank account.

Enrolment period: The cover shall be for one-year period stretching from 1st June to 31st May for which option to join / pay by auto-debit from the designated individual bank / Post office account on the prescribed forms will be required to be given by 31st May of every year. Delayed enrolment for prospective cover is possible with payment of pro-rata premium as described below-

- For enrolment in June, July and August – Full Annual Premium of Rs.436/- is payable.
- For enrolment in September, October, and November – pro rata premium of Rs. 342/- is payable
- For enrolment in December, January and February – pro rata premium of Rs. 228/- is payable.

- For enrolment in March, April and May – pro rata premium of Rs. 114/- is payable.
- Lien period of 30 days shall be applicable from the date of enrolment. Not applicable for accidental death
- Benefits: Rs.2 lakh is payable on member's death due to any cause.

Termination of assurance: The assurance on the life of the member shall terminate on any of the following events and no benefit will become payable there under:

1. On attaining age 55 years (age near birth day) subject to annual renewal up to that date (entry, however, will not be possible beyond the age of 50 years).

2. Closure of account with the Bank/ Post office or insufficiency of balance to keep the insurance in force.

3. In case a member is covered under PMJJBY with LIC of India / other company through more than one account and premium is received by LIC / other company inadvertently, insurance cover will be restricted to Rs. 2 lakh and the premium paid for duplicate insurance(s) shall be liable to be forfeited.

4.If the insurance cover is ceased due to insufficient balance on due date or due to exit from the scheme, the same can be reinstated on receipt of appropriate premium as mentioned in Para 3 above, subject however to the cover being treated as fresh and the 30 days lien clause being applicable.

5. Participating Banks shall remit the premium to insurance companies in case of regular enrolment on or before 30th of June every year and in other cases in the same month when received.

The premiums of PMJJBY are revised as under:

Enrolment during	PMJJBY			
	Normal enrolment		Voluntary enrolment through electronic means	
	Existing	Revised	Existing	Revised
Q1(Jun-Aug)	330	436	300	406
Q2(Sep-Nov)	258	342	235.5	319.5
Q3(Dec-Feb)	172	228	157	213
Q4(Mar-May)	86	114	78.5	106.5
Renewal Premium	330	436	300	436

Appropriation of Premium:

	Appropriation of Premium Where:	Full Annual Premium of Rs.436/collected	Rs.342/collected in the 2nd quarter of risk Period	Rs.228/collected in the 3rd quarter of risk period	Rs.114/- is collected in the 4th quarter of risk period
(1)	Insurance Premium to LIC/ Insurance Com an	Rs.395/-	Rs.309/-	Rs.206/-	Rs.103/-
(2)	Commission payable to Business Correspondents, agents, etc. (For new enrolments only)	Rs.30/-	Rs.22.50	Rs.15/-	Rs.7.50
(3)	Administrative Expenses payable to participating Banks	Rs.ll/-	Rs.10.5C	Rs.7/-	Rs.3.50

PRADHAN MANTRI SURAKSHA BIMA YOJANA(PMSBY):

PMSBY will be an Accident Insurance Scheme offering accidental death and disability cover for death or disability on account of an accident. It would be a one-year cover, renewable from year to year. The scheme would be offered / administered through Public Sector General Insurance Companies (PSGICs) and other General Insurance companies willing to offer the product on similar terms with necessary approvals and tie up with Banks for this purpose. Participating banks will be free to engage any such insurance company for implementing the scheme for their subscribers.

Scope of coverage: All individual bank account holders in the age group of 18 to 70 years in participating banks will be entitled to join. In case of multiple bank accounts held by an individual in one or different banks, the person would be eligible to join the scheme through one bank account only. Aadhar would be the primary KYC for the bank account.

Enrolment Modality / Period: The cover shall be for the one-year period stretching from 1st June to 31st May for which option to join / pay by auto-debit from the designated bank account on the prescribed forms will be required to be given by 31st May of every year. Joining subsequently on payment of full annual premium would be possible.

However, applicants may give an indefinite / longer option for enrolment / auto-debit, subject to continuation of the scheme with terms as may be revised on the basis of past experience. Individuals who exit the scheme at any point may re-join the scheme in future years through the above modality. New entrants into the eligible category from year to year or currently eligible individuals who did not join earlier shall be able to join in future years while the scheme is continuing.

Benefits:

Sl.	Particulars	Sum Insured
a.	Death	Rs. 2 Lakh
b.	Total and irrecoverable loss of both eyes or loss of use of both hands or feet or loss of sight of one eye and loss of use of hand or foot	Rs. 2 Lakh
c.	Total and irrecoverable loss of sight of one eye or loss of use of one hand or foot	Rs. 1 Lakh

Premium: Rs.20/- per annum per member. The premium will be deducted from the account holder's bank account through 'auto debit' facility in one instalment on or before 1 st June of each annual coverage period under the scheme. However, in cases where auto debit takes place after 1st June, the cover shall commence from the date of auto debit of premium by Bank.

The premium would be reviewed based on annual claims experience. However, barring unforeseen adverse outcomes of extreme nature, efforts would be made to ensure that there is no upward revision of premium in the first three years.

Eligibility Conditions: Individual bank account holders of participating banks aged between 18 years (completed) and 70 years (age nearer birthday) who give their consent to join / enable auto-debit, as per the above modality, will be enrolled into the scheme.

Termination of cover: The accident cover for the member shall terminate on any of the following events and no benefit will be payable there under:

1. On attaining age 70 years (age nearest birthday).

2. Closure of account with the Bank or insufficiency of balance to keep the insurance in force.

3. In case a member is covered through more than one account and premium is received by the Insurance Company inadvertently, insurance cover will be restricted to one bank account only and the premium paid for duplicate insurance(s) shall be liable to be forfeited.

4. If the insurance cover is ceased due to any technical reasons such as insufficient balance on due date or due to any administrative issues, the same can be reinstated on receipt of full annual premium, subject to conditions that may be laid down. During this period, the risk cover will be suspended and reinstatement of risk cover will be at the sole discretion of Insurance Company.

5. Participating banks will deduct the premium amount in the same month when the auto debit option is given, preferably in May of every year, and remit the amount due to the Insurance Company in that month itself.

It will be the responsibility of the participating bank to recover the appropriate annual premium from the account holders within the prescribed period through 'auto-debit' process.

Enrolment form / Auto-debit authorization in the prescribed proforma shall be obtained and retained by the participating bank. In case of claim, the Insurance Company may seek submission of the same. Insurance Company reserves the right to call for these documents at any point of time.

The acknowledgement slip may be made into an acknowledgement slip-cum-certificate of insurance.

The experience of the scheme will be monitored on yearly basis for re-calibration etc., as may be necessary.

Appropriation of Premium:

1. Insurance Premium payable to Insurance Company: Rs.20/- per annum per member

2.Reimbursement of expenses to Business Correspondent or Micro-insurance Agent or Corporate Agent or Insurance Agent or Insurance Marketing Firm by the insurer: Re.1/- per annum per member

3. Reimbursement of Administrative expenses to participating Bank by insurer: Rs.1/- per annum per member

Note: The amount of reimbursement of expenses specified in item 2) saved in case of voluntary enrolment by an accountholder through electronic means shall be passed on as a benefit to the subscriber by correspondingly reducing the amount of the Insurance Premium payable specified in item 1).

Date of commencement of the scheme is 1st June 2015. The Annual renewal dates shall be each successive 1st of June in subsequent years.

The scheme is liable to be discontinued prior to commencement of a new future renewal date if circumstances so require.

RuPay Card Insurance Program

Key Features	
RuPay Non-Premium Card	**RuPay Premium Card**
Insurance cover	
Rs. 1,00,000/- For the PMJDY SB Accounts opened after 28th Aug 2018, Insurance coverage has been enhanced from Rs.1,00,000/- To Rs.2 ,00,000/-	Rs. 2,00,000/-
Coverage Terms & Conditions:	
Minimum one successful financial or non-financial transaction at any channel both intra and interbank i.e on us (ATM/Micro ATM/POS/e-com/Business Correspondent of Bank at location by any payment instrument) with in 90 days prior to date of accident including accident date of RUPAY PMJDY Card holders OR OFF US(SAME BANK CHANNELS-Bank Customer/Rupay cardholder transactions at other bank Channels)	Minimum one successful RUPAY Card induced financial transaction at any POS/e com, both intra and interbank i.e on us or off us with in 30 days prior to date of accident including accident date of RUPAY Card holder.
RuPay card types	
RuPay PMJDY Card, RuPay Domestic, RuPay Kisan Credit Card etc.,	RuPay Platinum
Claim Intimation	
To be intimated to claim id: rupay@newindia.co.in	To be intimated to claim id : rupay@tataaig.com

Claim intimation should be within Ninety (90) days from the date of accident	Claim intimation should be within Ninety (90) days from the date of accident
All supporting documents relating to the claim must be submitted within sixty (60) days from the date of intimation.	All supporting documents relating to the claim must be submitted within sixty (60) days from the date of intimation.
The eligible claims will be settled in ten (10) working days from the date of receiving the complete documents set	The eligible claims will be settled in ten (10) working days from the date of receiving the complete documents set
Service Provider	
New India Assurance Co. Ltd Department - RuPay Insurance Program The New India Assurance Co. Ltd. DO 142300 1 st Floor, NCL Premises Plot No. C-6, Bandra Kurla Complex Bandra East, Mumbai- 400051	Claims Department TATA AIG General Insurance TATA – AIG General Insurance Co. Ltd A-501, 5th Floor, Bldg No – 4, Infinity Park, Dindoshi, Malad (East) Mumbai- 400097

IB HOME SURAKSHA - (BY ARRANGEMENT WITH KOTAKMAHINDRA LIFE INSURANCE COMPANY LIMITED)		
Features	HL with repayment upto 20 years	HL with repayment period beyond 20 years and upto 30 years
Eligibility	Minimum age:18 years Maximum entry age:65yrs Maximum exit age: 75yrs(	Minimum age:18 years Maximum entry age:54yrs Maximum exit age: 75yrs
Insurance Cover	Min-Rs.5000/--Max-Rs.1000 lakhs	Min-Rs.5000/--Max-Rs.1000 lakhs
Insurance Term	Min-3yrs-Max-20 yrs	Min-3yrs-Max-30 yrs

Also Kotak Life has revised the product based on our continued request and given a separate policy tocover home loan for staff/SHL with reduced premium rates of up to 25% for interest rate up to 10%, bearingpolicy number GA 000380.

Apart from this our existing policy GA 000290 has also been modified with premium reduction of up to 10%based on claims experience, which now covers Home loan/mortgage loans/top up loan of existing andfuture borrowers with interest rate up to 15%.

IB VIDYARTHI SURAKSHA-Group Life cover to Education Loan Borrowers by arrangement with M/s PNB Metlife India Insurance Company Ltd AndKotak Life

Salient Features::
• The Scheme is applicable to all branches of our Bank.
• The Scheme, designed exclusively for our customers, offers Group Life Insurance coverage atcompetitive rates to all the eligible educational loan student borrowers.
• Only student borrower is covered and parents or other co-borrowers are not eligible.
• This is a single premium policy & if required, Bank finances premium as an integral loan component that isrepayable in monthly EMIs.
• Minimum age at entry - 15 years (As on last birthday): Maximum age at entry - 60 years (As on lastbirthday): Cover available up to the age of 70 years (As on Last birthday)
• Cover Available: Minimum Period of 3 years and Maximum of 25 years.
• Sum Assured : Minimum Rs.0.10 lakhs and Maximum of Rs.100.00 lakhs
• The Scheme covers life of student borrower during the tenure of Educational Loan.
• The coverage is on a decreasing basis based on loan repayment Schedule.
• Income-Tax Rebate is available under Sec. 80 C of Income - Tax Act for the premium paid under thisScheme.
• As one Master Policy is issued to the Bank, no separate assignment in favour of Bank isrequired. The schedule will form the part of insurance Certificate issued to each insured members of thegroup.
• All the claims will be routed through CO: Bancassurance Service Centre

Bancassurance

BANCASSURANCE BUSINESS MIX

LIFE INSURANCE :50%

GENERAL INSURANCE :35%

HEALTH INSURANCE :15%

(a) A Corporate Agent (Life Insurance Business) may have arrangements with a maximum of nine Life Insurers as per IRDAI latest gazette notification dated December 06, 2022 to solicit, procure and service their insurance products.

(b) A Corporate Agent (General Insurance Business) may have arrangements with a maximum of nine General Insurers as per IRDAI latest gazette notification dated December 06, 2022 to solicit, procure and service their insurance products. Further, the Corporate Agent (General Insurance) shall solicit, procure and service retail lines of General Insurance products and commercial lines of such insurers having a total sum insured not exceeding Rupees Five crores per risk for all insurances combined.

(c) A Corporate Agent (Health Insurance Business) may have arrangements with a maximum of nine Health Insurers as per IRDAI latest gazette notification dated December 06, 2022 to solicit, procure and service their insurance products.

(d) In the case Corporate Agent (Composite), the conditions as specified in clauses (a) to (c) shall apply provided that a Corporate Agent (Composite) may have arrangements with insurers in excess of the ceilings prescribed in (a), (b) and (c), subject to the condition that the total number of arrangements with life, general and health insurers, shall not exceed twenty –seven at any point of time as per IRDAI latest gazette notification dated December 06, 2022.

At present, Bank has following Corporate Agency arrangements under the verticals of Life, general and Health Insurance Business

LIFE INSURANCE	GENERAL INSURANCE	HEALTH INSURANCE
1.Life Insurance Corporation of India	1.United India Insurance Co Ltd*	1. .Niva Bupa Health Insurance Co Ltd
2. SBI Life Insurance Co Ltd	2.Chola MS General Insurance Co Ltd*	
3. Aditya Birla Sunlife Insurance Co Ltd	3.M/s Universal Sompo General Insurance Company Ltd*	

(*Bank also distributes Health Insurance Policies of General Insurance partners)

For Group Credit Life Insurance coverage and Group Critical illness coverage for our Borrowers, Bank has tie-up agreement with multiple Insurers as under:

Group Credit Life Insurance coverage	Kotak Life Insurance Company PNB Metlife insurance Aditya Birla Sunlife Insurance Co. Ltd. Tata AIA Life Insurance Co Ltd. # LIC of India #

Group Critical Illness coverage	Chola MS General Insurance Co Ltd. Universal Sompo General Insurance Co Ltd. Niva Bupa Health Insurance Co Ltd.
# Only claim settlement of covered cases, no fresh business	

Type of Insurance Products to be sold & serviced

Indian Bank will solicit and service all types of insurance products for the larger benefit of its customers.

¬ Under Life Insurance Bank shall market Traditional Endowment and Money Back Policies; Term Plans; Single Premium Plan; Whole Life Plan; Whole Life with Endowment option; Child's Education; Child's Marriage; Pension and Annuity 3173937::20.12.2023 11 Plans; Key man policies; ULIPs. Bank would also offer simple Group Credit Life products to compliment certain asset products of the Bank like Housing loan, Education loan, Clean loans etc.

¬ Under General Insurance Bank shall solicit business from individual and corporate clients to cover their risks. Bank shall canvass Fire and Standard Perils, Marine Insurance, Group Personal Accident Insurance, Group Medical, Travel insurance, Theft, Burglary, Workmen Compensation Policy, Professional Indemnity, Cyber Security; Farmer care; Loan Secure Insurance against Critical Illness and other policies. Bank shall also cover general insurance risks for retail as well as group of customers. Bank shall solicit, procure and service retail lines of General Insurance products and commercial lines of such insurers having a total sum insured not exceeding Rupees Five crores per risk for all insurances combined.

¬ Under Health Insurance is very important to customers in the wake of increased customer awareness due to Covid-19 pandemic and Bank shall market health insurance products like Individual / Group Health insurance, Individual / Group Personal Accident Plan, Top-up and Super Top-up Health Insurance plans and Customized / Co-branded Health Insurance products either with our General Insurance partners or an Independent Health Insurance Company.

Principal Officer IRDAI, to complete practical training of 50 hours

The exclusive Corporate Agency code for the Bank is CA0108 which was renewed on 01-Apr-2022 for a period of 3 years till 31-Mar-2025.

Grievance Redressal Mechanism--. Bank shall take adequate steps for redressal of grievances of the clients within 14 days of receipt of such complaint.

Specified Persons and other employees including violation of code of conduct specified under these regulations and liable to a penalty which may extend to Rupees One Crore under the provisions of Sec. 102 of the IRDAI Act.

Wealth Management

At present Bank has strategic relationship with Fin-tech partner, M/s Finwizard Technologies Private Limited (FISDOM) on referral services based for distribution of Wealth Management Services. Previously Bank had Independent Distribution tie-up for selling Mutual Fund schemes of 9 AMCS as under.

1. M/s UTI AMC Co Ltd,

2. Reliance Nippon AMC,

3. SBI Mutual Fund,

4. DSP Mutual Fund,

5. Tata Mutual Fund,

6. Sundaram AMC, (Principal AMC has acquired the same)

7. Kotak Mahindra AMC, 8. Franklin Templeton AMC

Compliance with AMFI & SEBI guidelines and Updating information on regulatory guidelines

Launch of “IB DIGI Pre-Approved Credit Card”

Pre- qualified valued customer can apply for “Pre-Approved Credit Card” through the online journey of “IB DIGI Pre-Approved Credit Card”

The Credit Card issued under the scheme will have all the features of normal Indian Bank credit card. viz. ¬ Upto 45 days’ free credit period. ¬ Customer can convert their transactions into easy EMIs. ¬ Attractive reward point (1 point valued at Rs.1 for every Rs.200 spent – to be credited on 500 points accruing). ¬ Attractive merchant offers ¬ Personal accident insurance coverage ¬ UPI facility on RuPay credit Card etc.

Indian Bank has been issuing credit cards in association with M/s **VISA International, NPCI’s RuPAY**.

Types of Credit cards:

I. **VISA variants - PLATINUM, GOLD, BHARAT & SECURE CARDS** (*For Individuals*) and **BUSINESS CARDS** (*For Corporate/Business Entity*)

II. **RUPAY variants - PLATINUM, SELECT, CLASSIC & SECURE CARDS** (*For Individuals*)

Eligibility Criteria for a New Credit Card:

VISA-BHARAT CARD	**VISA-GOLD CARD**
Revolving Credit Limit: Rs. 10,000 to Rs. 19,999 • EMI Facility: This card does not offer EMI facilities. • Add On Card-Facility Not Available • Cash Limit: 25% of credit limit. • Interest Rate (ROI): 1.79% per month. • Minimum Monthly Payment: 10% of the outstanding balance. • Reward Points: This card does not include a reward points program. • AMC: Nil • Joining Fee-Nil	Revolving Credit Limit: Rs.20000 to Rs.99999 • EMI Facility: Yes • Add On Card-Up to 4 cards. • Cash Limit: 40% of credit limit. • Interest Rate (ROI): 1.99% per month. • Minimum Monthly Payment: 5% of the outstanding balance. • Reward Points: 1 point valued at Re.1 for every Rs.100 spent. • AMC: No AMC for 1st year. 2nd year onwards Rs.250/- (Conditional waiver) • Joining Fee-Nil

VISA-PLATINUM CARD	**VISA-BUSINESS CARD**
• Revolving Credit Limit: Rs. 100000 and above • EMI Facility: Yes • Add On Card-Up to 4 cards. • Cash Limit: 40% of credit limit • Interest Rate (ROI): 1.66% per month. • Minimum Monthly Payment: 5% of the outstanding balance. • Reward Points: 1 point valued at Re.1 for every Rs.100 spent. • AMC: No AMC for 1st year. 2nd year onwards Rs.250/- (Conditional waiver) • Joining Fee-Nil	• Variants: Visa Gold/Platinum. • Revolving Credit Limit: As requested by the customer. • EMI Facility: Facility Not Available. • Cash Limit: 40% of credit limit. • Interest Rate (ROI): 1.99% per month. • Minimum Monthly Payment: 5% of the outstanding balance. • Reward Points: 1 point valued at Re.1 for every Rs.200 spent. • AMC: No AMC for the 1st year. 2nd year onwards Rs.500/- • Joining Fee-Ni

RUPAY-CLASSIC CARD	RUPAY-PLATINUM CARD	RUPAY -SELECT CARD
Revolving Credit Limit: Rs.10000 to Rs.25000 EMI Facility: Yes Add On Card-Up to 4 cards. Cash Limit: 25% of credit limit. Interest Rate (ROI): 1.79% per month. Minimum Monthly Payment: 5% of the outstanding balance. Reward Points: This card does not include a reward points program. Airport Lounge Access: This card does not include Lounge Access. AMC: No AMC for 1st year. 2nd year onwards Rs.250/- (Conditional waiver) Joining Fee-Nil	Revolving Credit Limit: Rs.25001 to Rs.199000 EMI Facility: Yes Add On Card-Up to 4 cards. Cash Limit: 40% of credit limit. Interest Rate (ROI): 1.99% per month. Minimum Monthly Payment: 5% of the outstanding balance. Reward Points: 1 point valued at Re.1 for every Rs.100 spent. Airport Lounge Access: Yes AMC: No AMC for 1st year. 2nd year onwards Rs.250/- (Conditional waiver) Joining Fee-Nil	Revolving Credit Limit: Rs.2,00,000 & above EMI Facility: Yes Add On Card-Up to 4 cards. Cash Limit: 40% of credit limit. Interest Rate (ROI): 1.66% per month. Minimum Monthly Payment: 5% of the outstanding balance. Reward Points: 1 point valued at Re.1 for every Rs.100 spent. Airport Lounge Access: Yes AMC: No AMC for 1st year. 2nd year onwards Rs.250/- (Conditional waiver) Joining Fee-Nil

The basic requisites to avail a credit card are the following,

Should have an account with Indian Bank.
 Association with our Bank should be more than 1 year.
 PAN card, Aadhar card, Mobile number and Email ID is mandatory.
 Age limit: 18 to 80 years (For Bharat card: 25 to 60 years).
 Satisfactory rating as per credit card scoring model and CIBIL score report of 700+.
 Up to a maximum of 5 Business cards (or as decided by the Bank from time to time) will be issued per Business Establishment. (*No Add-on card for Business card*).

 IB - Secured Card (**Scoring model not needed)***:**

- Minimum of Rs.25000 or 100% of the Deposit amount or lesser limit requested by the customer. Accrual of Interest on term deposit will not be considered for enhancement of Credit Card Limit.

USP (**Unique Selling Price**) of Indian Bank Credit Card:

- Lowest interest rate/cash advance fee as compared to other banks. (*1.66% to 2.25%)*
- No joining fee.
- No renewal fee.
- Cash Advance Facility upto 40% of Credit Limit
- Auto-redemption of Reward points by way of Cash back of Rs.500 over the purchase of Rs.1 Lakh (*ie., For every 200 Rupees per transaction – 1 reward point will be added*).
- Interest free credit period from min. 15 days to max. 45 days.
- Free insurance coverage*.
- EMI facility.

Credit card sanctioning authority rests with the respective Zonal offices only. Sanctioning of credit card is subject to satisfactory rating as per credit card scoring model and CIBIL score report of 630+.for our customers.

Zonal Managers & DGM (DBD) are vested with powers to consider deviations on a case to case basis. For any relaxation of the policy in good line, branch can recommend for issuance of card through zonal office with specific recommendation of respective Zonal Manager.

Sanctioning Authority	Limit upto and inclusive of
CM In-Charge of credit at zonal office	500000/-
AGM In-charge of credit at zonal office/Deputy Zonal Manager(AGM)/ Zonal Manager(AGM)/LCB (AGM)	1000000/-
Deputy Zonal Manager(DGM)/ Zonal Manager(DGM)/ LCB (DGM)	1500000/-
Zonal Manager (GM)	2500000/-

KNOCK-OFF order - Appropriation of partial payments towards the credit card dues

As per Bank's policy, appropriations of credits (payments received) to the card account are done as per knock-off order communicated to credit card customers in the Card Member Agreement Usage Guide sent along with the credit card

The knock-off order is below,

Govt Fee (Service Tax) Charges,

Purchase Interest,

Cash Advance Interest,

Other Fee Interest Cash Advance Fee,

Other Fees,

Purchase and Cash Advance.

Hence any partial payments received against credit card dues will be knocking off / appropriated in the order mentioned above only.

ATM/DEBIT CARD

All charges Excluding GST

Savings	Metro ATMs**: 3 Free Transactions (including Financial & Non-financial) per month **(Metro ATMs: ATMs located in Bengaluru, Chennai, Delhi, Hyderabad, Kolkata and Mumbai)** Non-Metro ATMs: 5 Free Transactions (including Financial & Non-financial) per month **Exceeding free transactions:** Financial Transactions: Rs20 per transaction Non-Financial Transactions: Rs10 per transaction
Current Account / Overdraft Accounts - Individuals	**No free transactions.** **Financial Transactions:** Rs**20 per transaction** **Non-Financial Transactions:** Rs**10 per transaction**
Master Card (International)	Financial Transactions: Rs150 per transaction Non-Financial Transactions: Rs20 per transaction
Cash withdrawals at ATMs using Credit	`75 for Bharat cards & `100 for Gold,

Cards (Cash advance fee)	Platinum and Business, Secure cards
Charges for Cash withdrawals at POS terminals	1% of the transaction amount subject to maximum of Rs10
ATM/Debit card replacement along with PIN RuPayClassic / MasterCard (Domestic) including ePurse cards& Visa Classic Cards Rupay Platinum (Domestic & International Cards), Rupay Select Debit Cards, Visa Gold / Platinum Cards, International Master Card	 Rs 100 Rs 250
Unblocking of hotlisted cards (Dehotlisting)	Rs 50
Annual Maintenance Charges (AMC)	AMC for 1st year: **Free** AMC from 2nd year onwards: Senior Citizen card/ cards for Visually Challenged/ SHG/ RuPay KCC/ RuPay PMJDY cards : **Free** Classic Rupay cards (other than PMJDY), RupayIBDigi cards & Domestic Master cards including ePurse cards: Rs**100** RuPay Platinum (Domestic): Rs150 RuPay Platinum (International) & MasterCard/ Visa International, Gold & Platinum Cards: Rs**200** RuPay Debit Select Card: Rs 1000
BHIM Aadhaar Pay MDR charges	Above Rs 2000: 0.25% of transaction
Issue of duplicate PIN (Physical PIN mailer)	Rs 25

INTRODUCTION OF DIGITAL BANKING CHAMPIONS (DBCs) AT SELECT BRANCHES

DBCs shall operate from select branches (currently identified 1000 branches) with the responsibility of leading the way and encouraging customers and prospects to make use of online channels for their banking needs, besides promoting the Bank on social media platforms like Facebook, Instagram, Twitter, etc.. The DBC can be a generalist or specialist officer with a flair for and comfort with managing digital channels. She/He is to act as a DBC for the branch besides discharging her/ his regular duties, as assigned by the Branch Manager. For guidance and support, the Marketing Officer at the Zonal

Office concerned shall be available to her/ him, to whom she/ he shall report on a daily basis.

"Health Care Premier" from General Insurance Partner M/s Universal Sompo

"IB Health Care Plus" product from existing maximum sum Insured of Rs. 5 Lakhs to "IB Health Care Premier" with sum assured maximum up to Rs. 50 Lakhs with additional benefits

"IB - Health Care Premier"

Parameters	Details
Basic Sum Insured (Rs. In Lakhs)	1,2,3,4,5,7.5,10,15,20,25,35 and 50
Pre & Post Hospitalization Period	60 & 120 days
Reinstatement of Sum assured	Once in policy period
Co-Payment	Not Applicable
No Claim Bonus	50% of SI up to 100%
Day Care Treatment	Covered
Domiciliary Treatment	Covered
Second Medical opinion	Covered
Dental Treatment Cover	2% of the SI, max upto 10,000/-
Cosmetic or Plastic Surgery expenses	10% of SI, max up to 1,00,000/-
Medically Advised Support Devices	10% of SI, max up to 30,000/-

Credit Life Insurance Coverage with M/s. PNB MetLife Insurance – IB Vidyarthi Suraksha
Revision of Coverage Norms for Education Loan Borrowers of IB Vidyarthi Suraksha

M/s PNB MetLife has revised Sum Assured from existing limit Rs. 1 Crores to Rs. 5 Crores with revised coverage norms criteria for Education Loan Borrowers.

 Non-Medical limits as per the above Medical underwriting grid will be applicable ONLY for loans covered within 90 days from first disbursement date.

 Cases beyond 90 days from the first disbursement date WILL NOT BE COVERED.

 Maximum Sum Assured limit is capping of 5 crores and should not exceed the loan amount.

 COVID Questionnaire mandatory along with Proposal form (DOGH) for all borrowers

Document Type	Policy Sum Assured (SA)
Loan Sanction letter	Above 1 crore of SA
Income Proof, CAMS sheet (Credit Appraisal Memo)	Above 2 crore of SA
Other Documents (if Applicable for Studying abroad)	- NRI Questionnaire - Passport copy with entry exit details - Overseas Travel Questionnaire

"IB KOTAK HOME SURAKSHA" &"IB KOTAK EDUCATION SURAKSHA"

Product/ Scheme	"IB KOTAK HOME SURAKSHA"	IB KOTAK EDUCATION SURAKSHA"
Target Segment (Both Staff and General Public)	All Home loan & other mortgage based loan borrowers (including NRIs), Top up loans to existing HL borrowers & Co- borrowers.	Educational Loan borrowers.

<table>
<tr><td rowspan="3">Eligibility</td><td>Minimum age :18 years</td><td colspan="3">Minimum age :16 years</td></tr>
<tr><td>Maximum entry age :65 years</td><td colspan="3">Maximum entry age :32 years</td></tr>
<tr><td>Maximum exit age :75 years</td><td colspan="3">Maximum exit age :53 years</td></tr>
<tr><td>Insurance Cover/
Sum Assured</td><td>Min - Rs.10000/-
Max - Rs.1000.00 lakh</td><td colspan="3">Min- Rs.10000/-
Max- Rs.100.00 lakh</td></tr>
<tr><td rowspan="4">Insurance Term</td><td rowspan="4">Minimum: 2 years
Maximum: 30 years</td><td>Tenure Type</td><td>Min</td><td>Max</td></tr>
<tr><td>Flat Tenure</td><td>2</td><td>6</td></tr>
<tr><td>Reducing Tenure</td><td>10</td><td>15</td></tr>
<tr><td>Total tenure</td><td>12</td><td>21</td></tr>
</table>

1. Option to Existing Borrowers:

Option is available for the existing borrowers to avail credit life coverage only within 90 days of the

first disbursement of the loan.

2. Cover for Borrowers & Co - Borrowers:

Cover would be offered only to Borrowers & Co-Borrowers but not to Co-applicants.

Coverage to Co-Borrowers can be extended only if the loan is jointly applied in the names of all

the lives and cannot be extended to more than four co-borrowers including primary borrower.

Insurance for Co borrower is available

i) ONLY when he/she is an earning member and

ii) His/her income/ financials of minimum 20% proportion has been considered for arriving at the Loan eligibility.

Coverage for total SUM ASSURED together cannot be more than 100% of the loan amount and all

the Insured Borrowers have to undergo the Underwriting process individually and pay premium as

per underwritten terms as applicable.

* In case of the death of Borrower or Co-Borrower, death benefit as per their respective Sum

Assured share of the loan will be paid and the surviving members will continue to be covered

for the remaining term*

1	Domestic Other Bank ATM Cash Withdrawal	5 transactions / Day
2	Domestic POS/E-Com transactions	10 transactions / Day
3	International POS/E-Com transactions	5 transactions within 24 Hrs
4	IRCTC Ticket Booking	4 transactions / Day
5	Cash at POS and Purchase with Cashback transactions	3 transactions / Day

IB RUPEE KEY – RuPay On-The-Go Smart Keychain

Keychain embedded with an NFC chip which connects with the card reader at the point of sale (POS) devices.

Customers can make contactless payments of amount up to Rs. 5000 without PIN.

Faster check outs at POS devices reducing wait in queues.

Rupay on-the-go keychain will be provided as an add on Card
Customers can manage the device using Indian Bank mobile banking application.
Customers can enable/disable the keychain as when needed for making payment.
Customers can set their own limits as per the requirement upto the default limit.
Keychain can be blocked immediately it is stolen/lost.

RuPay Debit Select Card(Contactless)

Top most variant of RuPay Cards

Usage limit of Rs.50,000/- in ATM and Rs.1,00,000/- in POS.
Joining benefits and Milestone based benefits
In built Insurance Cover of up to Rs.10 Lakhs
Higher transaction limits.
Airport lounge access and various other offers.
Facility of contactless POS purchases up to Rs.5000/- .
NCMC (National Common Mobility Card) supported wallet for offline transactions (Tap & Go).

Rupay classic contactless Card (NCMC)

Facility of contactless POS purchases up to Rs.5000/- .

Usage limit of Rs.25000/- in ATM and Rs.25000/- in POS.
Facility of contactless POS purchases up to Rs.5000/- .
NCMC (National Common Mobility Card) supported wallet for offline transactions (Tap & Go).
Lower Annual Maintenance Charges as Compared to Platinum Debit Cards
Insurance Coverage and Complimentary Airport Lounge Access are NOT available

If the transaction usage in the previous year exceeds Rs. 50,000/- p.a. in Select/Platinum/Gold/Classic
If the transaction usage in the previous year exceeds Rs. 2,00,000/- p.a. in Business Card.
As per RBI guideline, for all cards variants Online, NFC and International transactions are disabled by
Dail

Usage Limits

S.No.	Card Product	ATM Cash Limit	POS / E-Com Purchase Limit	Aggregate Limit

1	Bharat/ Classic Card	8000	12000	20000
2	Gold Card	25000	75000	100000
3	Platinum/ Select Card	50000	150000	200000
4	Business Card	50000	300000	350000

PI QR (Scan & Pay) is a digital payment acceptance channel displayed at the merchant establishment to facilitate receipt of payments by scanning the QR Code from any UPI linked mobile app. A UPI QR code based payment solution represents a new channel of initiating and accepting payments between buyers and sellers (or consumer and merchants) using mobile phone.

Feature of the product:

- **Inter-operable**– You can use any of the apps that support UPI and pay using any UPI App.
- **Hassle Free**– Fast and secure interface that enables customers to use their smart phones to make cashless payments. Hence, customers need not to carry physical Cards.
- **Secur**e- A single click payment makes the UPI system quite attractive Your Card details are not exposed to any third party.
- **No additional charges**– No Maintenance cost for the merchants and transactional charges at present
- Offers instant money transfer via mobile device 24×7 for all 365 days

Type of QR Codes:

Indian Bank offers two types of UPI QR Code as follows:

1. **Small Merchant QR code**– For Merchants having monthly inward credit through UPI less than Rs 1,00,000. Merchants can generate Static and Dynamic QR code using IB Small Merchant App available in google Play store.
2. **Corporate Merchant QR code**– having monthly inward credit through UPI more than Rs 1,00,000 per month. Merchants can avail static UPI QR by submitting application form to nearest branches.

Pre-requisites for UPI QR Code for Merchants

- Merchants need to have a Savings/Current/OD/OCC account with Indian Bank.

IB Corporate Merchant e-Rupi Redemption Application

- A Mobile Application for Indian Bank UPI QR merchants to Redeem eRupi prepaid vouchers and generate static/dynamic UPI QR. Remitter (customers of the merchant) will scan the QR code and make payment to the merchant using any UPI App. For eRupi voucher redemption facility, beneficiary needs to display the eRupi voucher QR code and merchants will redeem the App using IB Corporate Merchant App.
- This will facilitate merchants to receive money through UPI mode. It supports Secure and instant transfer of funds without any extra charges from customer's Bank account to merchant's account.

IB Corporate Merchant App-Features Supported

- SIM based Authentication

- eRupi voucher redemption facility
- Dynamin and Static QR Code Generation

IB Corporate Merchant App- Transaction Features

- Collection of Payment through QR Scanning
- eRupi voucher redemption facility
- Transaction History viewing

Pre-requisites for UPI Corporate QR Code for Merchants

- Merchants need to have a Savings/Current/OD/OCC account with Indian Bank.
- Smart phone (Presently Android).
- Data connection

Dash Board for UPI QR Merchants

- Merchants Who are on-boarded on UPI QR Platform can now get QR transaction reports through UPI QR Dashboard.
- Merchant can login and get MIS reports for transactions done through all the QR code mapped to an account in the portal
- Dashboard portal link: https://mobile.indianbankonline.in/Admin/common/login

UPI QR Code SoundBox

- The UPI QR Sound box is a small portable speaker for daily payment alerts, which comes with a SIM based connectivity.
- When a customer makes a payment by scanning an UPI QR code the Sound box will notify merchants of successful payments with a loud alert.
- This device can be mapped with Merchant UPI QR and all payments received on scanning the QR will be announced.
- Contact nearest Indian Bank Branch for getting UPI QR code soundbox..

SMS Banking/ Missed Call Service

For any of your Banking enquiries like94443-94443
Anytime, Anywhere

How do I use SMS Banking?

- Go to “Menu” of the cell phone, whose mobile number has been configured with us.
- Select “Messages”, then select, “write messages”, type in the keyword, followed by space, followed by account number, followed a space again and then M-PIN as given in the keyword help depending on the enquiry.
- Press o.k. and send it to 94443-94443.
- Once the message is delivered. You will get the information as a SMS.

(*For e.g. If the customer wants to know his balance and the customer account number is 989898989 MPIN is 5555. He has to type “BALAVL 989898989 5555” and then send it to 9444394443, after validation the customer will receive the SMS of account Balance outstanding.*)

No	CODE	DESCRIPTION	SMS format
1	**BALAVL**	Balance Enquiry	BALAVL <Ac no> <MPIN>

2	**LATRAN**	Last 3 Transaction	LATRAN <Ano> <MPIN> LATRAN <MPIN> For default account
3	**CHQSTS**	Issued Cheque status Enquiry	CHQSTS <chq no> <Ac no> <MPIN> CHQSTS <chq no> <MPIN> For default account
4	**DCHSTS**	Deposited Cheque Status Enquiry	DCHSTS <chq no> <Ac no> <MPIN> DCHSTS <chq no> <MPIN> For default account
5	**CHGPIN**	Change Mobile Banking PIN	CHGPIN <New MPIN> <OMPIN>
6	**HELP**	Help on How to Use	HELP <Code> <MPIN>

Missed Call Services

To avail balance through Missed Call Service, you can give a missed call to the mobile number **8108781085**

National Common Mobility Card (NCMC)

National Common Mobility Card (NCMC) feature enables the Bank's customers to use their Debit Cards as a travel card for travelling in Metro Rail and Buses where this facility is enabled.

To use this facility Indian Bank Customer can follow the below steps:

Enabling the Rupay Wallet on Debit Card

1. Obtain a RuPay Contactless (NCMC) Debit Card from your branch.
2. If your Debit Card is a personalized RuPay Contactless (NCMC) Debit Card, Rupay Wallet is already enabled on the card automatically.
3. If your Debit Card is an Insta (non-personalized) RuPay Contactless (NCMC) Debit Card, Please inform the branch to enable the RuPay wallet on your Debit Card.

Adding Money to the RuPay Wallet

The RuPay Wallet on your RuPay Contactless (NCMC) Debit Card can store up to Rs.2,000/-. This amount can be utilized for travel or any other offline transactions (Tap & Go) such as parking, toll fare etc.

To Add Money to the Rupay Wallet, Please follow any one of the below Steps:

1. Add Money By Paying Cash to the Operator available in the Metro Station.
2. Add Money through Debit Card: Amount will be added to wallet by Debiting the Savings Bank or Current Account linked to the RuPay Contactless (NCMC) Debit Card.

Once the above process of Adding Money is completed, the added amount will be stored on the card and the same can be utilized for offline transactions (Tap & Go) at Metro stations and other locations where NCMC payments are enabled.

HRD & HRM

1. Preferential rate of Interest to staff

Staff members are eligible for 1% additional rate of interest for the Deposits. Staff members who resign before completing 20 years of actual service, staff who are retired compulsorily or dismissed are not eligible for preferential staff rate of Interest. With effect from 11.06.2018, the preferential rate of interest may be offered for deposits less than Rs.200 Lakhs (comprising all types of Deposits at one or more branches put together) placed by staff members, eligible ex-staff members an eligible senior citizen ex-staff members where they are the principal account holders Concessional rate of interest (1/2% over rate payable on deposit on Loan against deposits (LAD) for employees (both serving and relieved) without any ceiling provided the deposits are eligible for preferential rate of interest under staff category.

1. To get the staff rate of interest staff member can hold a deposit either singly in his name or jointly with any other member of his family with his name as the first depositor subject to submission of a declaration that the money belongs to him.
2. In case of rent on lockers 50% of concession for any one locker irrespective of the size for staff members.
3. **Staff concession of 100% given:**
    a) Commission of collection
    b) Folio charges
    c) Standing Instruction charges
    d) Stop payment charges
    e) Check return charges irrespective of reasons
    f) Processing and administration charges for credit proposals
    g) Minimum balance charges for SB and CA
    h) DD/BPO cancellation charges
    i) Duplicate Passbook and statement charges

However out of pocket expenses like postages and other bank charges etc., should be recovered in full from the staff.

2. Reimbursement of fees to staff

Mandatory Course:

S NO	List of Mandatory Courses	Area of Operation	Institute	Incentive
1	Certification Course In Accounts And Audit	Accounting	NIBM	5000
2	Diploma In IFRS	Accounting	KPMG	5000
3	Certification Course In Credit Management	Credit Mgmt.	NIBM	5000

4	Certified Trade Finance Professional (CTFP)	Credit Mgmt.	ICC	5000
5	Global Trade Certificate(GTC)	Credit Mgmt.	ICC	5000
6	Certificate In Small Business Banking	Credit Mgmt.	MOODYS Analytics	5000
7.1	Certificate Credit Research Analyst - Level 1	Credit Mgmt.	AIWMI	0
7.2	Certificate Credit Research Analyst - Level 2	Credit Mgmt.	AIWMI	5000
8	Certificate In Commercial Credit	Credit Mgmt.	MOODYS Analytics	5000
9	Certified Credit Professional	Credit Mgmt.	IIBF	5000
10	Certificate Course In Foreign Exchange	Forex	IIBF	5000
11	Certified Information Systems Auditor(CISA)	Risk Mgmt.	ISACA	5000
12	Certified In Risk And Information Systems Control(CRISC)	Risk Mgmt.	ISACA	5000
13	Cyber security Nexus Fundamental Certificate (CSX)	Risk Mgmt.	ISACA	5000
14	Cyber security Nexus(CSX) Practitioner Certification	Risk Mgmt.	ISACA	5000
15	Certified Information Security Manager(CISM)	Risk Mgmt.	ISACA	5000
16	Certified Information Security Professional	Risk Mgmt.	GFU	5000
17	Foundation Of Financial Risk	Risk Mgmt.	GARP	5000
18	Financial Risk And Regulation	Risk Mgmt.	GARP	5000
19.1	Chartered Financial Analyst Program - Inter	Accounting	CFA	0
19.2	Chartered Financial Analyst Program - Final	Accounting	CFA	5000
20.1	Certificate In Risk In Financial Services - Level 1	Risk Mgmt.	IIBF	0
20.2	Certificate In Risk In Financial Services - Level 2	Risk Mgmt.	IIBF	5000
21	Certification Course In Risk Management	Risk Mgmt.	NIBM	5000
22	Certified Treasury Professionals	Treasury Ops.	IIBF	5000
23	Certification Course In Treasury Management	Treasury Ops.	NIBM	5000
24.1	Certificate In Quantitative Finance - Level 1	Treasury Ops.	CQF	0
24.2	Certificate In Quantitative Finance - Level 2	Treasury Ops.	CQF	5000

Non Mandatory course

S No	List of Non Mandatory Courses	Institute	Incentive
1	Diploma In Banking Technology	IIBF	1000
2	Diploma In International Banking And Finance	IIBF	1000
3	Diploma In Treasury Investment And Risk Management	IIBF	1000
4	Diploma In Urban Co-Operative Banking	IIBF	1000
5	Certified Information System Banker	IIBF	1000
6	Certificate Course On MSME	IIBF	1000
7	Customer Service & Banking Codes And Standards	IIBF	1000

8	Certificate Examination In IT Security	IIBF	1000
9	Certificate Examination In Rural Banking Operations	IIBF	1000
10	Prevention Of Cyber Crimes And Fraud Management	IIBF	1000
11	Foreign Exchange Facilities For Individuals	IIBF	1000
12	Certificate Examination In Microfinance	IIBF	1000
13	Certified Bank Trainer	IIBF	1000
14	Certified Banking Compliance Professional	IIBF	1000
15	Oracle Certified Associate (OCA)	Oracle	3500
16	CCNA Certification And Training	CISCO	3500
17	Red Hat Certified System Administrator (RHCSA)	Red Hat	3500
18	Vmware Certified Technical Associate	VMware	3500
19	Developing Asp.Net MVC Web Applications	Microsoft	3500
20	Microsoft Certified Professional (MCP)	Microsoft	3500
21	Certified Associate In Project Management (CAPM)	Project Mgt Institute	3500
22	NISM-Series-I: Currency Derivatives Certification Examination	NISM	1000
23	Financial Risk Manager (FRM)	GARP	10000
24	Professional Risk Manager (PRM)	PRMIA	10000
25	Certified Information System Security Professional(CISSP)	IISSCC	5000
26	Certificate Course For IRDAI Composite Licensing *	Insurance Institute Of India	5000
27	NISM-Series-V-A: Mutual Fund Distributors Certification Examination *	NISM	1000
28	NISM Certification For DP Operations *	NISM	1000
29	Advanced Wealth Management (Revised Syllabus)	IIBF	1000
30	Card Operations (For Employees of I.T. and BPO Companies)	IIBF	1000
31	Functions Of Banks (For Employees of I.T. and BPO Companies)	IIBF	1000
32	Basics Of Banking (For Employees of I.T. and BPO Companies)	IIBF	1000
33	Certificate Examination For DRA	IIBF	1000
34	Certificate Examination For DRA Telecallers	IIBF	1000
35	Business Correspondents / Facilitators	IIBF	1000
36	Diploma In Retail Banking	IIBF	1000
37	Certificate In International Trade Finance	IIBF	1000
38	Certificate Course In Digital Banking	IIBF	1000
39	Diploma In Banking & Finance	IIBF	1000
40	Introduction To Banking (For Sub-Ordinate Staff Of Banks)-In English and Hindi Medium	IIBF	1000
41	Certificate Course For Non-Banking Financial Companies	IIBF	1000
42	Certificate Examination For Small Finance Banks	IIBF	1000

43	Business Correspondents / Facilitators - [For Payments Banks - Module A And Module B]	IIBF	1000
44	Diploma In Information System Audit	IIBF	1000
45	Certificate Course In Ethics In Banking	IIBF	1000
46	Certificate Course on Resolution of Stressed Assets with special emphasis on Insolvency and Bankruptcy Code, 2016 for Bankers **	IIBF	1000
47	Certified Anti Money Laundering Specialist ***	ACAMS	5000
48	Foundation Certificate Course on "Climate Risk and Sustainable Finance"****	IIBF in collaboration with IFC	1000
49	Accounting for Decision making	IIMB	1000
50	Banking and Financial Markets : A Risk Management Perspective	IIMB	1000
51	Financial Accounting and Analysis	IIMB	1000
52	Introduction to Accounting - Part 1: Basics of Financial Statements	IIMB	1000
53	Introduction to Banking and Financial Markets	IIMB	1000
54	Introduction to Corporate Finance	IIMB	1000
55	Introduction to Investments	IIMB	1000
56	Management Accounting for Decision Making	IIMB	1000
57	Effective Business Communication	IIMB	1000
58	Predictive Analytics	IIMB	1000
59	Statistics for Business	IIMB	1000
60	Entrepreneurship: DO Your Venture	IIMB	1000
61	Innovation and IT Management	IIMB	1000
62	Innovation and Start-up Policy	IIMB	1000
63	Brand Management	IIMB	1000
64	Customer Relationship Management	IIMB	1000
65	Introduction to Marketing Essentials	IIMB	1000
66	Introduction to Retail Management	IIMB	1000
67	Quantitative Market Research	IIMB	1000
68	Creating a Happy and Meaningful Career	IIMB	1000
69	Organizational Design: Creating Competitive Advantage	IIMB	1000
70	Introduction to People Management	IIMB	1000
71	Operations Management	IIMB	1000
72	Advanced Corporate Strategy	IIMB	1000
73	The Essence of Leadership: Explorations From Literature	IIMB	1000
74	Introduction to Strategic Management	IIMB	1000
75	Managing Innovation	IIMB	1000
76	New Product Development	IIMB	1000
77	Strategic Management	IIMB	1000
78	Strategy and the Sustainable Enterprise	IIMB	1000

Other Conditions:

1. The exam fees / course fees may be paid as per the fee structure prevailing at the time the staff member joining the particular course.
2. The cost of study material (as prescribed by the institute through which certification has been obtained) may be paid upon production of receipt of purchase up to a maximum of Rs.2500/-or actual cost of the study material(s) whichever is less.
3. The practice of paying fees upfront by the Bank has been discontinued.
4. The annual membership fee /certificate fee payable in case of courses like CISA /CISSP /CRISC /PRM etc. may be paid as per the fees of the institute prevailing at that particular point of time.
5. For fees paid in foreign currency the Weekly Average Rate (WAR) / Actual fees paid by the employee as per the transaction details may be taken into consideration.
6. The incentive shall be paid for a maximum of five courses and incentive for one course shall be paid only once. However reimbursement of exam fee/course fee/ cost of study material may be paid for any number of course successfully completed by the employee
7. In the event of an officer leaving the Bank's job or opting out of the relevant post before 3 years the full amount of exam/ course fees, cost of study material, incentive, etc., reimbursed for Mandatory certification and acquiring professional acumen in Information Technology has to be repaid to the Bank.

The Competent Authority for sanction of Honorarium/Incentive / Reimbursement of fees and Cost of Study Material for all approved mandatory / Non-Mandatory courses is AGM (HRD) at Corporate Office.

3. Incentive to Lady Branch Manager

- Monthly dress maintenance allowance of Rs500/-
- Monthly grooming allowance of Rs500/-
- Subsidy of 50% concession in interest on their vehicle loan during BM tenure
- Residential leased accommodation at their place of choice
- Joining time extension upto one year

4. The facility of encashment of PL while availing of LFC is available to award staff members provided he/she shall proceed on leave for a minimum period of 1 day.

5. All staff members (officers and clerks) can access the e-learning website in IMAGE portal in helpdesk. The e-learning website provides exhaustive topics in Banking, General Banking, AML, Asset Liability Management, Credit, Foreign Exchange, Risk Management, Treasury Management, Derivatives, financial Mathematics and lot more. All staff members are encouraged to utilise this website, study the lessons and improve their knowledge.
6. It is mandatory for all Bank employees to obtain PAN for himself/herself and quote the same in all the TDS returns. Non-compliance will invite penalty of Rs10000 as per Sec272B of IT Act.
7. Reimbursement of local conveyance expense while on outstation duty by officers In metros–Rs.60/-;In other centre–Rs.40/-
8. Canteen Subsidy: A separate screen is provided in HR Connect Portal for this purpose. An Officer / Clerk of the branch / office shall enter against each employee the number of eligible days for reimbursement of canteen subsidy. CO:HRM Department shall process the entries and credit the canteen subsidy to the account of the Officer/staff - Eligiblecanteensubsidy:Rs15/per day

Staff Welfare Schemes:

Revised Staff Housing Loan scheme:

Board vide Circular no- 21989 dated 07/9/2023 has approved following modifications in the Staff Housing Loan Scheme:

Clause-B: Purpose and Limit

Cadre	**Existing Limit**	**Revised Limit**
MD & CEO	150.00	No Change
Executive Director	125.00	No Change
Officers in Scale VIII	-	120.00
Officers in Scale VI & VII	100.00	110.00
Officers in Scale V	90.00	100.00
Officers in Scale IV	90.00	95.00
Officers in Scale I to Scale III	70.00	80.00
Clerks	50.00	60.00
Sub-staff	32.00	40.00
¾ Scale Wages	24.00	30.00
½ Scale Wages	16.00	20.00
1/3rd Scale Wages	10.66	13.33

Additional Housing Loan for Repairs, Renovation or improvements

Cadre	**Existing Limit**	**Revised Limit**

MD & CEO	30.00	No Change
Executive Director	25.00	30.00
Officers in Scale VIII	-	30.00
Officers in Scale IV to VII	20.00	30.00
Officers in Scale I to Scale III	15.00	30.00
Clerks	12.00	18.00
Sub-staff	8.00	12.00
¾ Scale Wages	6.00	9.00
½ Scale Wages	4.00	6.00
1/3rd Scale Wages	2.50	4.00

1.1. Other Provisions of Staff Housing Loan Scheme:

Clause & Subject	Existing Provision	Revised Provision
Clause (D) Rate of Interest	On tiered basis: • Principal Loan Balance upto Rs.40 lakhs – 6.50% per annum (simple) • Principal Loan Balance over and above Rs.40 Lakhs – 7.00% per annum (simple)	On tiered basis: • Principal Loan Balance upto Rs.40 lakhs – 5.50% per annum (simple) • Principal Loan Balance over and above Rs.40 Lakhs – 6.00% per annum (simple)
Clause (C) Repayment period and Exit Age	**Category of Employee:** **Category of Employee** | **Maximum Exit Age** Employees who have opted for pension and Ex-Servicemen Drawing Defence Pension | 75 Years Employees under PF and NPS other than Ex- Servicemen drawing Defence Pension. | 60 Years	**Category of Employee** An undertaking to be obtained from the staff for payment of loan from terminal dues and one-time payment /annuity proposed to be received under NPS. It is to be ensured that installment post retirement must be within 1/3rd of the annuity proposed to be received.
	Additional Modalities for NPS: Employees under NPS who opt for loan duration beyond their normal retirement date, shall be required to maintain their Savings Bank account	

	with our Bank even after their retirement and NPS lump sum withdrawal and NPS annuity should be credited to the said SB account. Repayment of SHL should be from the same account. Such NPS optees shall be required to furnish undertaking letter. Where repayment is permitted beyond retirement, SHL account/s shall be critically reviewed three months before retirement so as to satisfy about all probable income flow/continued repaying capacity post-retirement. If the income is found to be insufficient to service, the SHL installment after ensuring "left over income" the excess SHL liability (over the repaying capacity) has to be repaid/liquidated out of the terminal benefits.	
Clause & Subject	**Existing Provision**	**Proposed modification**
Clause G – Security **(Under Jharkhan dAwas Scheme)**	Mortgage modalities are available for state of Jharkhand only under Jharkhand Awas Scheme for Staff Housing loan to ST employees of our bank as under: 1. For creation of mortgage under CNT Act, the employee/ employer will explore the possibility of obtaining the necessary permission for creation of mortgage from the appropriate authority. In the event of non-availability of the same, Bank may opt for equitable mortgage every 5 (Five) years at borrowers cost. All other precautions like obtaining NEC, Tax Paid Receipt, Municipality tax etc to be obtained periodically. If E.C reveals any encumbrances while putting through equitable Mortgage renewal after every 5 years, the advance is to be recalled and interest rate as applicable to clean advance to be levied. 2. For finance of the properties covered under SPT Act, the loan will be secured by Deposit of Title Deeds and all other related papers such as Record of Rights, Encumbrance Certificate, Land Tax Receipt, Municipality Tax, Approved Plan, etc as per Legal Search Report of empanelled Advocate. 3. Power of Attorney in favour of the bank for	a) The fifth schedule under article 244(1) of the constitution empowers the state which has scheduled areas to prohibit or restrict transfer of land from tribals and regulate the allotment of land to members of the Scheduled Tribes. b) The Mortgage modalities as applicable under Jharkhand Awas may be extended to all scheduled areas as mentioned in 5th schedule under article 244(1) of

	Sale of the property in case of default and also for creation of Equitable Mortgage/ Regd. Mortgage as and when suitable amendments in the CNT & SPT Act are made. 4. Letter to be sent to Revenue authority by branch for intimating loan against the land/building.	the constitution, amended from time to time, to ST Staff members of ourbank. Viz. 1. The loan will be secured by Deposit of Title Deeds and all other related papers such as Record of Rights, Encumbrance Certificate, Land Tax Receipt, Municipality Tax, Approved Plan, etc as per Legal Search Report of empanelled Advocate. 2. Wherever applicable, the employee/ employer will explore the possibility of obtaining the necessary permission for creation of mortgage from the appropriate authority. In the event of non-availability of the same, Bank may opt for equitable mortgage every 5 (Five) years at borrowers cost. All other precautions like obtaining NEC, Tax Paid Receipt, Municipality tax etc to be obtained periodically. If E.C reveals any encumbrances while putting through equitable Mortgage renewal after every 5 years, the

		advance is to be recalled and interest rate as applicable to clean advance to be levied. 3. Power of Attorney in favour of the bank for Sale of the property in case of default and also for creation of
Clause & Subject	Existing Provision	Proposed modification
		Equitable Mortgage/ Regd. Mortgage as and when suitable amendments in the state/central laws are made for scheduled areas. 4. Letter to be sent to Revenue authority by branch for intimating loan against the land/building. c) Presently 10 states viz. Andhra Pradesh, Chhattisgarh, Gujarat, Himachal Pradesh, Jharkhand, Madhya Pradesh, Maharashtra, Odisha, Rajasthan & Telangana are covered under the list with 146 Scheduled areas. d) SOP for additional documentation

		requirement and Mortgage modalities (as per state/central laws) shall be formulated for ensuring security coverage of loan by Retail Assets dept. in co-ordination with Legal dept.
Clause L-Documen tation (ii)	Wherever the employee is the sole borrower, his/her spouse shall stand as Guarantor and necessary documentation should be done towards this.	Wherever the employee is the sole borrower, his/her spouse shall stand as Guarantor and necessary documentation should be done towards this.
		Where ever Court case/family dispute is there (supported by documentary evidence), parents/ children of employee shall stand as Guarantor.

Reference: For other information please refer Circular no. 178/2019-20 dated 31/03/2020, 56/2021-22 dated 25.06.2021 & 294/2022-23 dated 01.02.2023 regarding Housing Loan scheme extended to Staff members of the Bank.

9. EDUCATIONAL LOAN TO STAFF AND AWARDS OF STAFF

The rate of interest in case of Education Loan availed by staff and wards of staff has been set at 1 year MCLR with yearly reset.
Loan to wards of staff may be considered @1Y MCLR irrespective of loan amount.
Collateral free loan up to Rs 30 lakh per employee may be permitted irrespective of categorization of educational institution for all recognized institutions.

10. Submission of Life Certificate

Every year in the month of NOVEMBER, Life Certificate (LC) has to be submitted by all staff pensioners, family pensioners, pre-1986 ex-gratia recipients as well as recipients of ex-gratia relating to spouses of pre-1986 retirees and e-Allahabad Bank Old Pension recipients.

The following modes of submission of Life Certificate are available for Staff Pensioners/family pensioners :

I Submission physically at the branch

II Submission through Video Life Certificate (VLC) of the Bank

III Submission of Digital Life Certificate (DLC) using Face Authentication Technology based on UIDAI Aadhar Database through Jeevan Pramaan Website/App of Government of India

IV Submission by Staff Pensioners/family pensioners living abroad

11. **Reimbursement of Outfit and Dress Maintenance Expenses**:

It has been approved to modify the reimbursement of Outfit and Dress Maintenance Expenses for all Officers in Scale VII, VI, V and Branch Managers in Scale IV / III / II and I as detailed below. The reimbursement shall be on a declaration basis to be entered in HR Connect

Cadre	Amt In Rs per month
General Managers	1500
Deputy General Manager	1000
Assistant General Manager	800
Branch Managers in Scale IV	625
Branch Managers in Scale III/II/I	500
All other officers	450

12. **High risk medical checkup for officers from Scale IV and above with their spouse**:

Medical check-up for all staff members above the age of 35 years and their spouse for a total amount of Rs.5000/(Staff–Rs.2500/-;Spouse–Rs.2500/-)

Annual Health Check Up for Ex-Staff members retired under Superannuation – (w.e.f. 1.1.2011) –Rs.3500/-for medical checkup and lab tests.

13. Provision for free eye checkup and purchase of spectacles:

For eye-check up and purchase of spectacles staff members who are above 40 years of age are allowed reimbursement as given below towards reimbursement for the consultations and purchase of spectacles, per occasion with a gap of 3 years between the two.

Cadre/Scale	Revised Eligibility(Rs)
ED/MD&CEO	6,000
Scale VII/VI	5,000
Scale V/IV	4,500
Scale I,II,III	4,000
Clerical	3,500
Sub Staff	3,000

This is applicable to employees who are above 40 years of age with interval between two reimbursements being three years and with no limit on the number of availment.

SUPPLY OF UNIFORMS TO SUB-STAFF

The revised ceiling on the cost of Uniform to Sub-Staff will be as under with immediateeffect.

Uniform	Revised	Periodicity-normal place	Periodicity-hill
Terrikhadi	1500/- including stitchingcharges of Rs.600/-	3 sets-once in 2 years	1 sets-once in 3years
Woollen	2400/- including stitchingcharges of Rs.900/-	1 set-once in3 years	1 set-every year

Canteen subsidy – Rs.15/- per day for all employees on their days of working

Assistance to Physically challenged employees:

Accessories to differently abled employees – At the time of joining the Bank, an amount of Rs.5000/- will be credited to all differently abled employees towards purchase of accessories. It has been decided to reimburse an amount of Rs.1,000/-per annum to the Visually Impaired Employees towards Accessories etc. Visually Impaired Employees mayprefer claims, to the Bank, through their Zonal office, once in a year. It has beendecided to increase the quantum of conveyance allowance payable to the eligible Blind and orthopedically handicapped employees to 5% of Basic Pay subject to a maximum of Rs.400/-p.m. from Rs.200/-p.m. being paid at present.

Staff welfare scheme for benefit of differently abled children of staff members:

For purchase of accessories to differently abled children of staff like caliper shoes/crutches/below knee limb/wheel chair/tricycle/hearing aid – once in their career maximum – Rs.5000/- Bill to be supported by Doctor certifying physical challenge& needfor the accessory to be produced.

Subsistence allowance for staff members who are on leave on loss of pay dueto prolonged hospitalization:

Staff Members who are on leave on loss of pay due to prolonged hospitalization are paid a Subsistence allowance of 75% of the Gross pay or Rs.10,000 w.e.f.01.12.2010 whichever is less for a period of 6 months in one occasion and 3 times in the entire service with the maximum period of 18 months.

Financial relief to the family of staff members dying in harness:

To provide immediate financial relief to the family of a deceased staff member, an amount of Rs.100000/- is paid to the family and Rs.20,000/- within the total amount is paid on the funeral day to meet the immediate funeral expenses.

Relief to the dependents of part time employees is in proportion to the scale wagesdrawn by them.

Memento to Retired

As per the existing scheme, staff members retiring on super annuation were presentedwith a memento for a value of Rs.10000/-.The improvement/enhancement is as follows:

Cadre/Scale	Revised Eligibility(Rs)
ED/MD&CEO	50,000
Scale VII/VI	40,000
Scale V/IV	30,000
Scale I,II,III	25,000
Clerical	20,000
Sub Staff*	15,000

* Permanent Part time employees drawing scale wages are entitled for an amountproportionate to their scale wages.

Grant of medical aid to retired staff members who retired on superannuation As per the scheme, Staff Members who retire on superannuation / medical grounds are provided with a Medical Aid of Rs.4000/- per annum on a declaration basis which ismade available to the retirees from the subsequent year of retirement. This facility hasto be availed in the current year itself and cannot be carried over to subsequent year/s.

Reimbursement of Health Insurance Policy premium to retired staff members –

Grant of Scholarship and Grant of Books & Uniform to wards of Staff under Staff WelfareScheme For Books and Uniforms:

Std I to V Rs500 Std VI to X Rs 800 Std XI, XII Rs1200
Diploma/Graduation Rs 2000 Professional - BE,MBBS etc Rs.3000

SCHOLARSHIP

The scheme for grant of Scholarship to dependents of Staff Members is available to all the Award Staff and Officers up to Scale IV. The other existing guidelines and format of application remain unchanged. The last date for receipt of the applications is 15thSeptember of every year.

Reimbursement of Cost of Newspaper to employees

Enhancement in the Reimbursement of Cost of Newspaper to employees:

Officers in Scale VII – VI - maximum of Rs 500 p.m. ; Officers in Scale IV and V-Rs 350,Actual Cost of subscription of 2 newspapers and/or financial periodicals)

Officers in Scale I, II and III-Rs 225, Clerk-Rs 175, Sub Staff incl. PTS-Rs 150(ActualCost of subscription of 1 newspaper)

Provision of Grant for Educational Books and Uniforms to dependent children ofstaff:

(Selection based on percentage of marks)

Scholarship is available for Award staff & Officers upto Scale IV whose wards are studying Std. IX to Post graduate. Maximum no. of children of employee not to exceed3; SC/ST/Sub staff – 50%; Others – 60% Books and uniform – All staff whose wards arestudying from Std. I to graduation; Sub staff – 50%; Others – 60%

Scheme for Grant of Overdraft Facility to Staff Members with diminishingdrawing limit

The salient features of the scheme are as follows:

1. Cadre wise maximum overdraft limit will be as under:

Cadre	Maximum Eligibility Rs. In lakhs	
Officers	One month gross pay (including allowances) for each completed year of service subject to a maximum of	12.00
Clerical		6.00
Sub staff		2.50

2. Rate of Interest: One year MCLR (floating), payable on monthly basis

3. Concept of diminishing drawing limit has been introduced in the scheme. Accordingly, on the staff member attaining 55 years of age, for 50% of the sanctioned limit, drawing limit will be reduced in 60 monthly instalments till the time of retirement. The outstanding if any at the time of retirement / separation shall be recovered in full from the terminal benefits.

   With the introduction of the new scheme, all fresh sanctions / enhancements shall be under the new scheme only. (i.e. A staff member who has already availed OD facility under the existing Scheme can avail the enhanced limit under the new scheme only).

   The overdraft facility sanctioned under existing scheme shall be closed with the proceeds from the enhanced sanction under the new scheme. It shall be ensured that the number of OD accounts opened in the name of any staff member under the Staff ODScheme does not exceed one.

Reconstitution of Women Cell at Corporate Office (HRMD 140/2019-20)

HRMD:79/2023-24 dt 10.11.2023

Women Cell has been functioning at Corporate Office to take care of the special needs of the women employees working at Branches / Offices and to redress their grievances.

The objective of the formation of Women Cell at Corporate Office is to facilitate women employees to freely approach the women cell to seek redressal of their grievances that could not be represented to the officials of the Bank directly.

Women Cell at Corporate Office has been reconstituted and the composition of the sameis as follows:

Role	Name	Designation
Presiding Officer	Ms. Kanaka S	Deputy General Manager, CMC-I Dept.
Member	Ms. Sreeja Rani S	Chief Manager (Law), CO:CSC
Member	Ms. Lilima Choudhury	Chief Manager, CO:HRM Dept.
Member	Ms Suvetha S	Clerk, CO:HRM Dept.

All Women employees are free to approach the above Cell for redressal of their grievances (if any).

Revision of Rental Charges for Holiday Homes:

(HRM CIRCULAR HRMD:36/2020-21 DATED 15.05.2020)

Bank has set up 21 Holidays homes. The rental charges payable by the employee for investment of holiday homes shall be as follows:

Holiday Home	Rent Payable per day
Ooty	Rs.100/-
Kodaikanal	Rs.30/-
Darjeeling	Rs.30/-
Tirumala, Kanchi Mutt	Rs.80 for Non AC, Rs. 325 for AC rooms
TirumalAndavan Ashram	Rs.50 for Non AC, Rs.325 for AC rooms, Rs. 375 for 7 bedsuite.
Guruvayoor	Rs. 80 for Non AC, Rs. 370 for AC rooms
Puri	Rs. 200 for AC rooms.

The Charges for eAIB Holiday Homes Digha, Goa, Haridwar, Katra,Mount Abu, Mussoorie, Darjeeling, Nainital, Shimla, Amritsar, Ooty, Manali, Varanasi, Puri are Rs 100/day for Officers, Rs75/day for Clerksand Rs50/day for Sub Staff.
No refund shall be made in case of cancellation / reschedule. All other existing guidelines for the HolidayHomes remain the same

Air Travel under LFC – Government Guidelines (HRM 47/2019-20 dt 11.07.2019)

Government of India, Ministry of Finance, Department of Financial Services, Vigilance section has, vide their letter F.No.14/04/2013-Vig/DV dated 07.06.2019 have advised that Banks should reimburse only the "Easy fare/Check fare" in case of LFC availed by Officers (by air) and not the full fare under "Economy Class" which is 2-3 times costlier than "Easy Fare/Check fare".

In view of the above guidelines, it is reiterated that all Staff members (Award staff/Officers) planning totravel by air under LFC facility should apply for and get the Leave/LFC sanction well in advance (atleast one month) and book the tickets sufficiently early in low cost carriers at low fares only.

All Heads of department/Zonal Managers/Branch Managers/Officers in charge should take note of the above guidelines while sanctioning LFC. Further at the time of sanction of LFC/TA Bill, the above guidelines shall be complied with.

Reimbursement of Crèche / babysitting charges to women employees –

Improvements andModifications (HRM CIRCULAR HRMD:36/2020-21 DATED 15.05.2020)

Terms and conditions

1. Reimbursement of Crèche / babysittingcharges is available till the child attains the age of

three years.
2. Reimbursement is restricted for a maximum of two children in the entire career of the employee.
3. Staff members shall apply for the reimbursement online in HRM portal within threemonths failing which theclaim will be treated aslapsed.
4. The claims shall be authorised by the branch / office and original bills to be retained in the file for futurereference.

Quantum of reimbursement ON SUBMISSION OF CRECHE BILLS: 1. Urban& Metro centres - Rs. 1500/- per month per child.

2. Other centres - Rs. 1000/- per month per child. ON DECLARATION BASIS:
1. Women employees working in rural & semi- urban centres
- Rs. 500/- per month per child

Code of Ethics (HRMD 70/2019-20 dt 06.09.2019)

A document disseminating a comprehensive account of the principles, conduct, values, ethics, etc to be followed by Employees is the need of the hour. Board in its meeting held on 28.06.2019 approved the "Code of Ethics" to be followed by the Employees of our Bank.

A Code of Ethics is a guide of principles designed to help Employees conduct business honestly and with integrity. A Code of Ethics document outline the mission and values of Organization and the ethical principles, based on the Organization's core values.

All the Employees of our Bank are advised to go through the Board approved document
"Code of Ethics" and scrupulously follow it in letter and spirit.

Aligning "Performance Management" with "Corporate Goals"

Corporate Goals of our Bank for the Financial Year 2019-20 are broadly outlined by our Managing Director & Chief Executive Officer. Team Indian Bank is expected to work together towards achieving the corporate goals and contribution of each and every member of the Team is a prerequisite for this.
Indisputably, career progression is directly correlated with Organisational progress. In the HRM Department Circular No. HRMD : 01/2019-20 dated 01.04.2019, it has been informed that in the current year, linkage of quantitative achievements of business unitswith individual performance evaluation is being extended to all the Officers in Scale I to Scale VI, working in Branches, Zonal Offices and Business Verticals in Corporate Officeas given in the following table. This aims at bringing a collective responsibility by empowering the entire workforce to achieve the Corporate Goals

Generalist Officers workingin	Marks for Parameters			Total Marks
	Business Dimensions	Qualitative aspects of Business and Managerial dimensions	Other KRAs	
Branches	60	30	10	100
Zonal Offices	60	30	10	100
Corporate office Departments, handling Business Dimensions	50	30	20	100

The marks for performance under 'Business' will be based on the quantitative performance of the Branch / Zonal Office / Corporate Office Department and 10 marks out of 30 under 'Qualitative aspects of Business and Managerial Dimensions' is for 'job knowledge' based on Online Tests. Both these will be auto populated directly in the APAR. That is, out of the total marks, 70% / 60% will be system-driven, without any manual intervention.

Let us unambiguously understand that Corporate Goals and Career Progress are inseparably intertwined and as in the previous years, we shall achieve – "Growth with profit"

Presentation of Milestone Memento to Staff Members:

Milestone Memento in the form of a pair of wrist watches is being presented to all our staff members on completion of their 25 years of service uniformly irrespective of the cadre subject to:

- The employee not being imposed with punishment/penalty other than censure orwarning in the immediately preceding 3 years
- The employee not being under the rigour of punishment
- All the leave of the employee is being duly authorized.

From 01.02.2012 the memento is being presented to the eligible staff members on the date of their completion of 25 years of service or at the time of superannuation whichever is earlier, subject to a minimum service of atleast 10 years and fulfilling theabove three conditions.

Now the value of the Milestone Memento has been increased from Rs. 2000/-+GST toRs. 5000/-+ GST for employees eligible from 01.10.2009 onwards.

Reimbursement of Cost of Testing for COVID-19 to Employees of our Bank

It has been decided by the competent authority to reimburse the cost of testing charges for COVID -19 as determined by theGovernment of India from time to time subject to a maximum of Rs.4500/- to all the staff members as follows:

(i) Staff members should have been advised by the Bank, Local Authorities or the Physicians to undergothe test.

(ii) The bill and test result should be attached as proof of having gone through the test.

(iii) The amount should not have been claimed from any other institution such as Insurance company,Employer of spouse etc.

(iv) The amount of reimbursement is proposed to be debited from a new CGL "Reimbursement of COVID- 19expenses" and under the new Sub GL to be created for this purpose.

A Template to enter the test related data and to make a claim of reimbursement has been developed and hosted byCO: HRM in the Staff Self Service Portal.

COMPASSIONATE APPOINTMENT SCHEME IN PUBLIC SECTOR BANKS

The Compassionate Appointment applications will be processed under the revised policy within the frameworkdeveloped to ensure a balanced and objective assesment of the applications by the Committee of Executives approved by Board.

The Branch/Office has to verfiy the applicaton and all the relevant documents with the original and forwardthe same tothe respective Zonal Office/Administrative Office:

1. Application form (Annexure A)
2. Bio data form (Annexed B)
3. Death Certificate
4. Legal Heir certificate (to include the mother of deceased employee if she is alive)
5. Affidavit cum consent letter to be obtained in the appropriate value stamp paper duly notarised(AnnexureC)
6. Proof of Educational qualification
7. Community Certificate-where ever applicable
8. Branch Manager's recommendation

Group Life Insurance Policy for Executives / Officers / Award Staff for the Financial Year 2022-23 The Group Life Insurance Policy for Executives / Officers/ Award Staff has been taken for the current financial year 2022-23 from M/S Shriram Life Insurance Company Limited who shall be providing Life Insurance coverage to all our staff members for the financial year 2022-23 i.e. from 1st April, 2022 to 31st March, 2023. The sum insured under the policy is as under:

Cadre	Sum Insured (Rs. in lacs)
Executives in Scale – VI & VII	10.00
Executives in Scale – IV & V	8.00
Officers in Scale – I, II & III	7.00

Clerical Cadre Employees	5.00
Subordinate Staff	3.00

Increase in Exemption limit of Leave Encashment on Retirement w.e.f. 01/04/2023

Central Board of Direct Taxes, issued notification No.31/2023/F.No.200/3/2023-ITA-I dated 24/05/2023, wherein it has been mentioned that w.e.f. 01/04/2023 the maximum amount receivable as cash

Hence, from 01/04/2023 the exemption limit u/s 10(10AA)(ii) for leave encashment on retirement in case of non-Government employee has been increased from Rs.3,00,000/- (Three lakhs only) to Rs.25,00,000/- (Twenty five lakhs only)

This notification shall be deemed to have come into force with effect from the 1st day of April 2023. Hence staff members those who retired on or after 1st April 2023 are eligible for enhanced limit.

Interest on Staff Provident Fund Accounts and Loan againstPF/RWPF loan

Keeping in view the average yield on the investments held by the Trust, it has been decided by the Trustees of the Indian Bank Staff Provident Fund tocontinue the existing interest rate at 8.20% p.a on Indian Bank Staff PF accounts.

Consequently, the rate of interest on loan against Provident Fund and Refundable withdrawal loan will continue at 9.20%.

Also, the Trustees declared an additional interest of 2.00% above the existing rate of 8.20% to all the subscribers on roles for the Financial Year 2022-23(including separated staff of 2022-23)

POLICY ON MANDATORY LEAVE FOR STAFF MEMBERS IN SENSITIVE / HIGHLY SENSITIVE POSTS

I. **Applicability:** This Policy shall be applicable to employees posted in a particular sensitive post/ position or area of operation for at least one year.

II. **Duration of Mandatory Leave**: The duration of *Mandatory Leave* shall be at least ten working days in a single spell every financial year.

III. **Sensitive Posts/Positions**: The list of sensitive posts/positions identified for Mandatory Leave is provided in the *Annexure* hereto.

IV. **Competent Authority:** The Competent Authority to issue instructions to go on *Mandatory Leave* to an incumbent in an identified sensitive post/position shall be as under:

Sl. No.	For employees posted as/ in Sensitive Post/ Position at	Competent Authority to issue instruction to go on *Mandatory Leave*
1	Branch Manager/ Sensitive posts in other Offices and Branches (including ZO) under the jurisdiction of ZO	Respective Zonal Manager
2	Specialised branches/ Verticals/ Processing centres	Respective Reporting Authority (ZM/DGM/FGM/GM)
3	Heads of the Specialised branches/ Verticals/ processing centre	Respective Reporting Authority (ZM/DGM/FGM/GM)
4	ZM/FGMO	Respective FGM
5	CO Departments	GM/ Department Head of the respective department
6	GMs/ Department Heads	Respective Executive Director

Wherever Competent Authority is not defined as per Para 4.4, the Respective Reporting Authority (of the employee posted as/in sensitive post/position, who is to be sent on Mandatory Leave) shall be the Competent Authority to issue instruction in this regard.

V. **Modalities and Features**:

a. The provisions of the RBI Circular dated July 09, 2021 as cited under *Regulatory Reference,* prescribe *Mandatory Leave* being accorded to employees *without prior intimation*. In accordance therewith, an instruction to undertake *Mandatory Leave* with immediate effect for a specified period shall be issued by the Competent Authority to an incumbent on a sensitive position at any time of the financial year.
b. Simultaneously, advice shall be issued to disable the login credentials of the employee in all IT applications related to workplace for the period of the *Mandatory Leave*.
c. Upon receipt of the instructions to undertake *Mandatory Leave*, the employee shall immediately stand relieved on *Mandatory Leave* for the duration as instructed, and shall not undertake or engage in any official duties / work thenceforth for the period mentioned. The employee shall be required to withdraw himself / herself from the Branch / Office immediately and shall not ordinarily enter into the Branch/ Office without any cogent reason save otherwise due to administrative exigencies during the specified period.
d. During the period of *Mandatory Leave*, the "*User id*" of the concerned employee shall mandatorily be disabled, and leave shall be marked in the system.
e. The employee shall not access any physical or virtual resources related to his/ her work responsibilities during the period of *Mandatory Leave* with the exception of internal email for general purposes.
f. The duration of Mandatory Leave period shall be treated as Special Leave having no impact on usual leave entitlement.
g. Newly recruited employees shall be exempted from the requirement of *Mandatory Leave* for one year from their date of joining the services of the Bank or till their confirmation in the services of the Bank, whichever is later.
h. The Competent Authority, while issuing instruction of *Mandatory Leave* to an employee, shall ensure that the normal and smooth functioning of the concerned Branch / Office is not hampered.
i. The Competent Authority shall endeavour that the *Mandatory Leave* assigned to an employee in different years or to employees successively chairing a specific position do not fall in a predictable pattern and shall randomise the same as far as possible.

j. The policy shall be effective from 01.04.2023.

VI. **Review**:

a. FGM Offices / CO: Departments shall send a Quarterly Report on the implementation and adherence of the Policy within their jurisdiction to CO:HRM.
b. Half yearly report on the status of availment of *Mandatory Leave* by employees shall be placed before the MD & CEO by CO: HRM Department.
c. Structured report should be submitted by the competent authority (as defined in clause 4.4) in respect of functioning of the post during the period of mandatory leave from the officer who is allotted the job role when the staff member is sent on mandatory leave.
d. CO: HRM will consolidate the structured reports and submit to CGM incharge of HRM for the officers up to scale IV and Executive Director incharge of HR for Scale V and above on quarterly basis.

List of sensitive posts/positions identified for Mandatory Leave

Place of Posting	Position
BRANCH/ VERTICAL/ PROCESSING CENTRE	❖ BMs (Including Heads of LCBs, MCBs and SAMV) ❖ Asstt. Branch Manager (In Scale IV & above branches) ❖ Officer in Charge & Joint Custodian in Currency Chest ❖ Officers in Scale IV & above dealing with credit proposals at LCBs/MCBs in same portfolio ❖ FxPC Head & Officers dealing with SWIFT Operations ❖ Treasury Dealers including Chief Dealer & Office Head at all trading centres (Including Gift City) ❖ Officers in Scale V & above at Treasury Branch
CORPORATE OFFICE	❖ GM/Department Head (Treasury & IBD, ITD, DBD, Large Corporate, Mid Corporate, RBD, RA, MSME, Recovery, CMC, Inspection, Risk, Compliance) ❖ Officers in Scale IV & above (Credit Card Division, dealing with password management, ATM, Reconciliation, Data Centre) ❖ ITD/DBD Procurement - Officers in Sc- IV & above ❖ Risk: a) Officers dealing with Risk Modeling, Model validation b) Mid Office In-charge ❖ Officer dealing with Investment at CO:HRM

Renewal of IBA Group Medical Insurance Scheme for serving employees for Insurance Year 2023-24 (01.10.2023 to 30.09.2024)

In terms of the 10th Bipartite Settlement/Joint Note dated 25.05.2015, Medical Insuranc Scheme for the serving employees of the Bank has been introduced by IBA w.e.f. 01.10.2015. The scheme is renewed every year by IBA.

IBA has informed that the Group Medical Insurance Scheme for serving employees of the Bank has been renewed for the Insurance Year 2023-24 (01st October 2023 to 30th September 2024) with M/s. National Insurance Company Ltd. as the Lead Insurer. The policy number for serving employees is 251100502310000182.

M/s. National Insurance Company Ltd. has intimated that M/s. Medi Assist Insurance TPA Pvt. Ltd. shall serve as the Third party Administrator for our Bank.

Guidelines for Claim submission for the IBA Group Medical Insurance Scheme for Serving employees for the Insurance Year 2022-23 (Period of Hospitalization/Domiciliary Treatment between 01/10/2022 to 30/09/2023)

As informed by M/s. National Insurance Company Ltd., the guidelines for the claim submission for the expiring policy 2022-23 are as under:

1. Last date of receipt of intimation of claim having date of admission (Hospitalization)/ Domiciliary expenses falling in between 01/10/2022- 30/09/2023 is 15/11/2023. The claim intimation can be done via email at ibacare@mediassist.in (A copy of claim intimation is to be mandatorily enclosed with the claim documents). No claims will be accepted by TPA after 15/11/2023 wherein intimation is not given.

2. Last date of receipt of claim documents and query replies at TPA is 31.12.2023. Under no circumstances the last date will be extended.

3. All pending requests for Corporate Buffer should be intimated to Corporate Office, HRM Department at ibmed@indianbank.co.in by 15.11.2023 i.e. last date of claim intimation.

4. All the application for limit enhancement under Corporate Buffer (along with Xerox copy of supporting bills) should reach CO:HRM, Mediclaim Section on or before 15.11.2023.

It is reiterated that all medical bills are to be directly sent to TPA.Under no circumstances, the original medical bill claim documents should be sent to Corporate Office.

The contact detail of TPA for all cashless and reimbursement claim assistance is as under:

Toll Free Number: 04068213601

Email id: ibacare@mediassist.in

3. The basic Insurance Cover limit under the Insurance scheme is Rs. 4.0 lac perfamily for Officers and Rs. 3.0 lac per family for Award Staff employees.

4. The scheme covers Employee + Spouse + Wholly dependent unmarried Children +any two of the dependent parents/ parents-in-law + Physically challenged Brother/Sister

+ unmarried/widowed/separated sisters as per the Family Definition (in terms of latestBipartite Settlement/Joint Note) detailed below:

- No age limit for dependent children (including step children and legally adoptedchildren)
- A child would be considered dependent if his/her monthly income does not exceed Rs. 12,000/- per month. Physically challenged children of employees shall be defined asdependents irrespective of age or marital status, subject to income criteria.
- Widowed Daughter and dependent divorced/separated daughters, sisters includingunmarried/divorced/abandoned or separated from husband/widowed sisters shall be considered as dependent for the purpose of this scheme.
- Physically challenged Brother/sister with 40% or more disability shall also becovered as Dependent.
- For the purpose of IBA Medical Insurance Scheme, for all employees, any two ofeither of the dependent parents/parents-in-law shall be covered.
- Parents would be considered dependent if the aggregate monthly income of boththe parents does not exceed Rs. 12,000/- per month or as revised by Indian Banks' Association in due course and wholly dependent on the employee as defined in the scheme.

5. Staff members may claim for reimbursement of medical expenses incurred in theevent of Hospitalization and Domiciliary treatment.

☐ For Hospitalization claim- The patient should be admitted for atleast 24 hours*.

*Procedures and Medical treatment below 24 hours are admissible if undertaken underDay Care Treatment (Clause 3.4 & Clause 2.10 of policy)

☐ For Domiciliary treatment- Medical expenses incurred for treatment of diseases(Clause 3.1) shall be reimbursable upto the Sum Insured limit under the Scheme.

6. In the event of Hospitalization, the same shall be intimated by the staff memberto the **TPA via email (at ibacare@mediassist.in)/ Toll Free No. (1800 4255 2222)** within following timelines:

Notification of Claim	Timelines for intimation of claim to TPA

In the event of planned hospitalization	**For Cashless:** At least 72 hours prior to the admission **For reimbursement:** Within 48 hours of admission
In the event of emergency	**For Cashless:** Within 24 hours of admission **For reimbursement:** Within 48 hours of
hospitalization.	admission

7. The timelines on submission of claims for lodgement at TPA is as under

Type of claim	Timelines for submission of documents
Where cashless facility has been authorized, claims for the remaining portion of Hospital Bills.	Immediately after discharge
Reimbursement of hospitalization and prehospitalization expenses (limited to 30 days before admission)	Within 30 days of date of discharge fromhospital.
Reimbursement of post hospitalization expenses (limited to 90 days* after discharge)	Within 30 days from completion of posthospitalization treatment.

*For Maternity claims, post hospitalization expenses shall be limited to 60 days

In cases where the aforesaid timelines for claim submission or claim intimation have not been adhered to, the staff member shall submit a reason for delayed submission or delayed intimation along with claim documents.

8. The procedure to be followed in all types of claims and details of supporting documents to be submitted has been detailed in clause no. 5 of policy.

9. The maximum admissible room charges under the scheme is Rs. 5000/- per day and ICU charges is Rs. 7500/- per day.

10. **For Domiciliary claims**, the cost of medicines, investigations and consultation etc shall be reimbursed for the period stated by the Medical Consultant. If no period is stated, the prescription shall be valid for a period not exceeding 90 days.

11. Expenses on purchase of medicine shall be supported by bills/receipts/cash memos with valid GST no. of the issuer of such bills/receipts/cash memos.

12. **Maternity benefit** is available under the scheme upto Rs. 50,000/- for Normal Delivery and Rs. 75,000/- for Caesarean Section delivery.

Expenses incurred on new born baby during maternity will be covered upto Rs. 20,000/- per child in addition to theMaternity limit

13. **New born baby** is covered from day one, i.e. newly born baby is covered under the scheme upto 90 days under the name of mother without warranting addition in the scheme. However, it is advisable to add newly born baby within 90 days of birth.

14. **Critical Illness Benefit cover** of Rs. 1.0 lac (over and above basic insurance cover) shall be available for staff members on first detection/diagnosis of critical illnessas mentioned in Part- III of policy document. Dependents of staff members are not eligible for this cover.

15. As per IRDAI guidelines dated 26.06.2020, all medical expenditure (Homeisolation/ hospitalization) related to COVID-19 is covered under the scheme.

16. IBA has informed that following treatments have been included in the InsuranceScheme for the year 2022-23:

(A) Inclusion of approved targeted therapies for treatment of Cancer in day care and on a standalone basis. The term Immunotherapy- Monoclonal Antibody cancer treatmenton standalone basis has been added in the list of Day- care and domiciliary treatments.

(B) Inclusion of Intra vitreal injections for eye disorders other than ARMD also has been done. The current Bipartite agreement specifies Treatment for Age related MacularDegeneration (ARMD) only.

Renewal of IBA Group Medical Insurance Scheme for Retirees for the period 01.11.2023 – 31.10.2024

Last Date for payment of renewal Premium is 25.10.2023

The IBA Group Medical Insurance Policy for Retirees is expiring on 31.10.2023. IBA vide their letter no. HR&IR/MBR/MEDINS/0496 dated 18.09.2023 have informed that M/s. National Insurance Company Limited has been allotted Group Medical Insurance Policy for the Retirees for the period 01.11.2023 to 31.10.2024.

It is reiterated that the IBA Standing Committee of HR met on various occasions with United forum of Bank Employees Union (UFBU) and on 19.07.2023, IBA representing the member banks and UFBU signed an MOU effecting modifications in the terms and conditions of the Medical Insurance Scheme of retirees so as to make the premium affordable for the retirees. The revised terms shall be applicable for the Retiree's Policy w.e.f. 01.11.2023 and the salient features in the modified policy shall be as under:

a. A Base Policy of Rs. 2 Lacs with caps/limits (**Details of capping**

enclosed in Annexure – A) along with Top-up options varying from Rs. 1 lac to Rs. 10 lacs.

b. Caps on Bed Room/Room Rent/Boarding expenses per day.
c. Caps on ICU charges per day
d. Caps on Stand-alone ceiling/cap on treatments
e. Caps on cost of implants
f. Caps on Physician/Specialist consultation charges
g. Caps on Operations
h. Once the Top-up variant is opted by the retiree, the entire policy i.e. Base Policy + Top Up will not have the caps mentioned.

The details of Premium quoted by M/s National Insurance Co. Ltd. for the renewal of the Group Medical Insurance Policy for the retirees for the period 01.11.2023 to 31.10.2024 are as under:

1. **Base Policy Rate (inclusive of GST)**

BASE SUM INSURED	**For all Retired Staff Members**			
	Without Domiciliary		**With Domiciliary**	
	Family Floater	**Single person**	**Family Floater**	**Single person**
200000	26454	17857	49005	33079

- **Single person** means **a) Retiree without Spouse** (unmarried, separated, divorced & widowed) or **b) Surviving Spouse** (Family Pensioner/Spouse of deceased Staff).

- M/s. National Insurance Company Ltd. has informed that Top up policy and Super Top policy are same.

- **For Base policy + Top up policy with Sum Insured ranging from Rs. 3 lacs to 12 lacs(i.e. base policy of Rs 2 lacs + top up of Rs 1 lac to Rs 10 Lacs):** Room rent per day shall be payable up to Rs.5000/- and ICU charges upto Rs.7500/-

- M/s. National Insurance Company Ltd. has stated that under **"With Domiciliary"** option, reimbursement of domiciliary treatment expenses will be up to **"10% of Sum Insured opted under Base policy"** for Officer/Award Staff cadre retirees and spouses of deceased employees/ spouses of deceased retirees. **Domiciliary treatment are not covered under Top up policy, as per the conditions of previous year's policy**.

2. **"Top up Policy coverage" for all retired employees having a base policy under with or without Domiciliary Cover**

M/s National Insurance Company Ltd. has informed that **"Top-Up Policy with or without Domiciliary Cover**" is also available for the insurance year which is optional on payment of additional premium. However, coverage under with domiciliary option is limited to **10% of Sum Insured opted under Base policy".** The retirees and spouses of deceased employees/ spouses of deceasedretirees who are renewing the policy may avail the benefit of the same, if they desire so. The maximum Top up allowed under the scheme is given as under:

- **For Base Sum Insured 2 lac, Top up SI allowed upto Rs. 10.0 lac for retirees under all Cadres**

The details of premium to be paid under Top up Policy (inclusive of GST) are given as under:

Top Up SI	Retirees under "Without Domiciliary"		Retirees under "With Domiciliary"	
	Family Floater	Single Person	Family Floater	Single Person
100000	27159	18332	35307	23832
200000	50919	34371	66196	44683
300000	58014	39159	75417	50908
400000	60860	41081	79118	53406
500000	70078	47303	91101	61493
600000	77130	52063	100268	67681
700000	80684	54462	104889	70801
800000	87070	58772	113190	76404
900000	93456	63083	121493	82008
1000000	101966	68828	132556	89476

Guidelines for Renewal of Retiree Policy 2023-24:

Please note the following guidelines will apply for the renewal of Retiree Policy 2023-24:

a. **If Retiree and spouse both are alive, family floater premium has to be paid by the retired staff member**.

b. If a Retiree opts for **Single premium in 2023-24 policy**, then the **Retiree shall continue with the same option for next 2 years also**. **He/she will not be allowed to move from Single to Family floater. Also, the insurance coverage will be for Primary Member, i.e. Bank Retiree only.**

c. The employees who retired during the policy period 2022-23 but have not joined the IBA GMC Retiree policy 2022-23 by paying 1 month pro-rata premium can join IBA GMC Retiree policy 2023-24 starting from 01.11.2023.

d. **For (1 Year) drop out Retirees -** Retirees who were not covered under expiring Retirees Policy 2022-23 only, can be covered under Retirees Policy 2023-24 with Retiree Base policy and can opt for Top-up Policy also**.** **(Explanation-** All such retirees who were **covered under Retiree Policy 2021-22 only**, but due to some personal reasons were not able to deposit premium for 2022-23, only shall be eligible for coverage under **Retiree base Policy 2023-24 along with Top- up).**

e. **For other (Continuous 2 Year) drop out Retirees (other than mentioned in point no. 3.d) –** The Retirees who were not covered under **Retiree Policy 2020-21 and 2021-22 only,** can be covered under **Retiree Base Policy 2023-24 ONLY. They will not be allowed to opt for Top- up Policy.**

f. Existing Retirees can opt with/without Domiciliary option in Retirees policy 2023-24 irrespective of option they have chosen in last year policy 2022-23.

g. Existing Retirees who are not covered under Super Top up policy 2022-23 (i.e. covered under Retiree Base Policy 2022-23 only), can avail Top up policy for 2023-24.

h. Maximum Sum Insured under base Retiree Policy is Rs. 2.0 Lac for all Retired Staff members irrespective of cadre.

i. The Top up Policy limit is available from Rs. 1 lac to Rs. 10 lacs.

The collection of the Insurance premium amount for the policy period 01.11.2023 to 31.10.2024 from the willing retirees will be done by CO: HRM for onward remittance to the Insurance Company. **The last date of submission & debiting of premium is 25.10.2023.** Kindly note that no further extension will be allowed. Bank will not be responsible for any grievance arising out of non-debit of premium due to delay in submission.

Process flow for Insurance premium payment:

a. For Retirees already covered under Retiree Policy 2022-23 & 1 year drop out Retirees (who were covered in Retiree Policy 2021-22 ONLY): Premium collection shall be undertaken through **HR Connect**, **Retiree Insurance Premium Collection Screen**. The Process flow for Insurance Premium Collection is given in **Annexure B**.

b. **For the** (**Continuous 2 YEAR) drop out Retirees who were not covered under 2020-21 & 2021-22 only**, scanned Application cum Debit Authority **(Annexure – D)** shall be mailed to ibmed@indianbank.co.in with subject "Application-cum-Debit Authority for continuous 2 year drop out Retiree, SR No. ____".

Kindly note that no manual application/email will be accepted/entertained for Retirees who are eligible to pay premium through HR Connect under point no. 4.a.

General Instructions to Branches/Offices:

a. To inform the retirees/ spouses of deceased employees/spouses of deceased retirees about the renewal premium amounts as specified by the Insurance Company and it shall have to be paid by the willing retirees for the policy period from 01.11.2023 to 31.10.2024.

b. To obtain the Consent Letter (**Application cum Debit Authority - Annexure C**) from the willing retirees/ spouses of deceased employees/spouses of deceased retirees and submit all the details in the **"Retiree Insurance Premium Collection Screen"** in HR Connect and **approve the same without fail by 25.10.2023**.

c. To exercise utmost care in collecting (submission/approval) the premium details from the retirees relevant to their choice of option in HR Connect. Please note that the submitted details will be treated as final and there is no provision of reversal/modification of premium option. **The onus of any grievance arising out of incorrect entry made in HR Connect shall rest with Maker/Checker.**

d. To capture all the details requested in the Premium Collection screen namely SR No, Name, **Spouse Name, D.O.B of the Spouse**, Account details, IFSC Code, Phone No, e-mail id & residential address and **ensure correctness of the data**.

e. To verify that the account number and Debit Authority's signature given in Consent letter (Application cum Debit Authority) tallies with the Specimen signature in CBS.

f. To verify that all entries made in the portal (by Maker under Employee Self Service>Medical Insurance) are debited in CBS after approval by checker (in HR Connect>MSS> Medical Insurance) at Branch level instantly.

g. For 2 year continuous Drop-out Retirees (who were not covered in 2020-21 & 2021-22 only) – To email Application cum Debit Authority (**Annexure – D**) to HRM Mediclaim Section at ibmed@indianbank.co.in with subject "Application-cum-Debit Authority for continuous 2 year drop out Retiree, SR No. ___" latest by 25.10.2023. **Kindly note that 2 year continuous Drop-out Retirees are not eligible for Top-up Policy.**

h. For retirees of erstwhile Allahabad Bank, the branch shall ensure that the SR no. of the retiree tallies with the details given in SR no. allotment list. (Link: https://10.203.76.47/APPS/OG_CIRC/circular/17302.pdf)

General information for Retired Staff members:

a. It is requested that retirees / spouses of deceased employees/ spouses of deceased retirees shall use the Consent Letter **(Application cum Debit Authority - Annexure – C) for submission of premium through Branch/HR Connect**. **Only Indian Bank account numbers shall be given in the Consent Letter. Sufficient balance is to be maintained in account for debiting Insurance Premium opted in Consent Letter.**

b. Alternately Retired staff members may login to HR Connect and pay premium through HR Connect > Reteiree Self Service > Medical Insurance Premium Collection Screen. The process flow for the same is given in Annexure – B.

c. For 2 year continuous Drop-out Retirees (who were not covered in 2020-21 & 2021-22 only) – Kindly send email Application cum Debit Authority (**Annexure – D**) to HRM Mediclaim Section at **ibmed@indianbank.co.in** with subject "Application-cum-Debit Authority for continuous 2 year drop out Retiree, SR No. ____"

d. Retired Staff members shall verify that the saving account no. given in Debit Authority is debited with the premium amount after submission in HR Connect for coverage under the scheme.

e. In case the retirees / spouses of deceased employees/ spouses of deceased retirees do not submit the Consent Letter (Application cum Debit Authority) at any Indian Bank Branch/Pay Premium for “Self/Spouse” through HR Connect on or before 25.10.2023, it shall be presumed that they are not interested in renewing/joining the scheme. The Bank shall not be held responsible under any circumstances for the lapse of Insurance Policy.

f. Retirees shall submit the consent letter to the nearest branch/ Pay Insurance Premium through HR Connect on or before 25.10.2023. Retirees who have not complied with any or all of the conditions will be considered as not interested in joining the scheme.

g. The retirees who are unable to visit branch/pay Insurance Premium through HR Connect, due to medical condition of self/spouse may submit the Consent Letter (Application cum Debit Authority) along with supporting proof for existing medical condition to the Indian Bank branch where their Savings Account is maintained through authorized representative.

h. The retirees who are **staying abroad/out of India may pay the premium through HR Connect/submit the Consent Letter via email,** to the respective Indian Bank branch where their Savings account is maintained.

i. Retired staff members are requested to exercise utmost care while submitting the premium details in HR CONNECT. **The premium once debited, as per option given by retired staff member, shall be treated as final and no further modification is allowed in HR Connect.**

j. **The Pensioners may avail Loan facility for payment of premium towards IBA Group Medical Insurance Scheme for Retirees as delineated in Circular no. HRMD:112/2020-21 dated 17.10.2020.** (**Link: http://10.100.6.213:81/intra/circulars/CIR-20-21/HRMD_112.pdf**)

k. **The Last Date for submission of Annual Medical Insurance Premium for Retirees is 25.10.2023.** Under no circumstances the last date would be extended. For any issues/assistance/clarification regarding Insurance Premium, please contact CO: HRM, Mediclaim Section at 044-28134414. **For technical support/HR Connect login assistance/ issues related to Insurance Premium Collection Screen in HR Connect**, please write to **cohrmsupport@indianbank.co.in.**

Guidelines for Claim submission for the IBA Group Medical Insurance Scheme for Retired Staff members for the Insurance Year 2022-23 (Period of Hospitalization/Domiciliary Treatment between 01/11/2022 to 31/10/2023)

As informed by M/s. National Insurance Company Ltd., the guidelines for the claim submission for the expiring Retirees’ policy 2022-23 are as under:

a. Last date of receipt of **intimation of claim** having date of admission (Hospitalization)/ Domiciliary expenses falling in between 01/11/2022-31/10/2023 is **15/12/2023.** The claim intimation can be done via email at ibacare@mediassist.in (A copy of claim intimation is to be mandatorily enclosed with the claim documents). **No claims will be accepted by TPA after 15/12/2023 wherein intimation is not given.**

b. Last date of **receipt of claim documents and query replies at TPA is 31.01.2024**. Under no circumstances the last date will be extended.

The renewal of policy shall be subject to terms and conditions of the scheme as communicated by the IBA/Insurance Company and the Retirees shall be bound by the same and Bank will not be responsible for the same in any manner. It is clarified that the Bank is only undertaking the administrative function for renewal of the IBA Group Medical Insurance Scheme for retired Officers/ Award Staff employees. No dispute/court case/complaint/ case before consumer forum etc. is tenable against the Bank or any authority of the Bank.

Co-operation of all the Retirees opting for above scheme is solicited in the matter for the smooth completion of the renewal process.

ANNEXURE – A

DETAILS OF CAPPING

1. **Bed Charge/room rent/Boarding expenses per day:**

Metro/Urban centres	Rs.3000
Other centres	Rs.2500

2. **ICU Charges per day:**

Metro/Urban centres	Rs.6000
Other centres	Rs.5000

3. **Standalone Ceiling/cap on treatments:**

Treatment	**Max. reimbursement**
High fever, typhoid, jaundice, other ailments etc. requiring hospitalization.	Rs.40,000 max
Coronary Angiogram	Rs.16,000
Angioplasty	Rs.1,00,000
CABG – Bypass surgery	Rs.2,00,000
Open heart surgery for valve replacement	Rs.2,00,000
Cataract	Rs.30,000
Cost of intra-ocular lens	Rs.10,000
Knee Replacement	Rs.1,00,000
Lithotripsy – multi sitting – Kidney stone removal	Rs.35,000
Hip Replacement	Rs.1,00,000
Lasik Surgery package per eye	Rs.15,000
Hernia	Rs.40,000
Hydrocele	Rs.20,000
Piles/hemorrhoidectomy	Rs.30,000
Appendectomy	Rs.30,000
Cholecystectomy	Rs.40,000
Prostatectomy	Rs.40,000
FESS	Rs.30,000

Dialysis	Rs.2,000
Female Diseases/Surgery	
Hysterectomy	Rs.40,000
Mastectomy	Rs.40,000

Cost of implants	**Maximum Ceiling**
Temporary Pacemaker implantation	Rs.30,000
Permanent Pacemaker Implantation	Rs.40,000
Cost of sent	Rs.30,000

In case the patient is to be moved to a hospital/nursing home outside the urban agglomeration/municipal limits, then the expenses incurred on conveyance may be reimbursed at the following rates:

Ambulance Category	**Maximum Ceiling**
Non-cardiac	Rs.2,500
Cardiac	Rs.5,000

4. **Other Charges:**

Ventilator or respiratory charges - Rs.5,000/- per day +
oxygen charges Oxygen charges - Rs.100/- per hour (Max
Rs.1,000/- per day)

5. **Physician Consultation Charges per visit:**

Registration Charges - Rs.200/-
Consultation / routine visit - Rs.400/-
Night visit / emergency visit - Rs.600/-

6. **Specialist Consultation charges per visit:**

Consultation / Routine day visit -
Rs.500/- Consultation with ECG / Night visit / Emergency visit -
Rs.700/- Physiotherapy charges -
Rs.300/- per day

7. **Charges for Operation (maximum):**

Type	**Surgeon Fee**	**Anesthesia**	**Theatre Charges**
Minor operation under LA	Rs.5,000/-		
Minor operation under GA	Rs. 5,500/-	Rs.2,500/-	Rs. 3,000/- (fixed)
Minor operations	Rs.17,000/-	Rs.7,000/-	Rs. 7,000/- (fixed)
Supra Major operation	Rs.26,000/-	Rs.9,000/-	Rs.10,000/- (per hour)

- Option for insurance coverage of single person to be provided.

- All other terms and conditions of the Medical Insurance Scheme as mentioned in the 10th Bi-Partite/7th Joint Note which is not explicitly mentioned in this amendment shall continue. Further, it is agreed that the coverages that have been added subsequently in the scheme shall also continue, subject to the caps, if any, as mentioned herein.

- **Top-up facilities :-** For additional insurance from Rs. 1 lacs to Rs.10 lacs, over and above the base policy to be offered, without above mentioned ceilings.

Rural Banking

Priority Sector guidelines

Categories under priority sector are as follows:

1. Agriculture
2. Micro, Small and Medium Enterprises
3. Export Credit
4. Education
5. Housing
6. Social Infrastructure
7. Renewable Energy
8. Others

What are the Targets and Sub-targets for banks under priority sector?

The targets and sub-targets set under priority sector lending, to be computed on the basis of the ANBC (Adjusted Net Bank Credit) / CEOBE (Credit Equivalent of Off-Balance Sheet Exposure) as applicable as on the corresponding date of the preceding year, are as under:

Categories	**Domestic commercial banks (excl. RRBs & SFBs) & foreign banks with 20 branches and above**	**Foreign banks with less than 20 branches**	**Regional Rural Banks**	**Small Finance Banks**
Total Priority Sector	40 per cent of ANBC or CEOBE whichever is higher	40 per cent of ANBC or CEOBE whichever is higher; *out of which up to 32% can be in the form of lending to Exports and not less than 8% can be to any other priority sector*	75 per cent of ANBC or CEOBE whichever is higher. *However, lending to Medium Enterprises, Social Infrastructure and Renewable Energy shall be reckoned for priority sector achievement only up to 15 per cent of ANBC.*	75 per cent of ANBC or CEOBE whichever is higher.
Agriculture	18 per cent of ANBC or CEOBE, whichever is higher; *out of which a target of 10 percent# is prescribed for Small and Marginal Farmers (SMFs)*	Not applicable	18 per cent ANBC or CEOBE, whichever is higher; *out of which a target of 10 percent**#** is prescribed for SMFs*	18 per cent of ANBC or CEOBE, whichever is higher; *out of which a target of 10 percent**#** is prescribed for SMFs*
Micro Enterprises	7.5 per cent of ANBC or CEOBE, whichever is higher	Not applicable	7.5 per cent of ANBC or CEOBE, whichever is higher	7.5 per cent of ANBC or CEOBE, whichever is higher

Advances to Weaker Sections	12 percent**#** of ANBC or CEOBE, whichever is higher	Not applicable	15 per cent of ANBC or CEOBE, whichever is higher	12 percent**#** of ANBC or CEOBE, whichever is higher

All domestic banks (other than UCBs) and foreign banks with more than 20 branches are directed to ensure that the overall lending to Non-Corporate Farmers (NCFs) does not fall below the system-wide average of the last three years' achievement which will be separately notified every year. The applicable target for lending to the non-corporate farmers for FY 2022-23 will be 13.78% of ANBC or CEOBE whichever is higher. All efforts should be made by banks to increase the Farm Credit (as per para 8.1) higher than the NCF target

Computation of Adjusted Net Bank Credit (ANBC)

Bank Credit in India [As prescribed in item No.VI of Form `A' under Section 42(2) of the RBI Act, 1934]	I
Bills Rediscounted with RBI and other approved Financial Institutions	II
Net Bank Credit (NBC)*	III(I-II)
Outstanding Deposits under RIDF and other eligible funds with NABARD, NHB, SIDBI and MUDRA Ltd in lieu of non-achievement of priority sector lending targets/sub-targets + outstanding PSLCs	IV
Eligible amount for exemptions on issuance of long-term bonds for infrastructure and affordable housing	V
Advances extended in India against the incremental FCNR (B)/NRE deposits, qualifying for exemption from CRR/SLR requirements	VI
Investments made by public sector banks in the Recapitalization Bonds floated by Government of India	VII
Other investments eligible to be treated as priority sector (e.g. investments in securitised assets)	VIII
Face Value of securities acquired and kept under HTM category under the TLTRO 2.0 and also Extended Regulatory Benefits under SLF-MF	IX
Bonds/debentures in Non-SLR categories under HTM category	X
For UCBs: investments made after August 30, 2007 in permitted non SLR bonds held under 'Held to Maturity' (HTM) category	XI
ANBC (Other than UCBs) III + IV- (V+VI+VII) +VIII - IX + X	
ANBC for UCBs III + IV - VI - IX + XI	
* For the purpose of priority sector computation only. Banks should not deduct / net any amount like provisions, accrued interest, etc. from NBC.	

Agriculture

The lending to agriculture sector will include Farm Credit (Agriculture and Allied Activities), lending for Agriculture Infrastructure and Ancillary Activities.

Farm Credit - Individual farmers:
Loans to individual farmers [including Self Help Groups (SHGs) or Joint Liability Groups (JLGs) i.e. groups of individual farmers, provided banks maintain disaggregated data of such loans] and Proprietorship firms of farmers, directly engaged in Agriculture and Allied Activities, viz. dairy, fishery, animal husbandry, poultry, bee-keeping and sericulture. This will include:

a. Crop loans including loans for traditional/non-traditional plantations, horticulture and allied activities.
b. Medium and long-term loans for agriculture and allied activities (e.g. purchase of agricultural implements and machinery and developmental loans for allied activities).
c. Loans for pre and post-harvest activities viz. spraying, harvesting, grading and transporting of their own farm produce.
d. Loans to distressed farmers indebted to non-institutional lenders.
e. Loans under the Kisan Credit Card Scheme.
f. Loans to small and marginal farmers for purchase of land for agricultural purposes.
g. Loans against pledge/hypothecation of agricultural produce (including warehouse receipts) for a period not exceeding 12 months subject to a limit up to ₹75 lakh against NWRs/eNWRs and up to ₹50 lakh against warehouse receipts other than NWRs/eNWRs.
h. Loans to farmers for installation of stand-alone Solar Agriculture Pumps and for solarisation of grid connected Agriculture Pumps.
i. Loans to farmers for installation of solar power plants on barren/fallow land or in stilt fashion on agriculture land owned by farmer.

Farm Credit - Corporate farmers, Farmer Producer Organisations (FPOs)/(FPC) Companies of Individual Farmers, Partnership firms and Co-operatives of farmers engaged in Agriculture and Allied Activities

a) Loans for the following activities will be subject to an aggregate limit of ₹2 crore per borrowing entity:
I. Crop loans to farmers which will include traditional/non-traditional plantations and horticulture and loans for allied activities.
II. Medium and long-term loans for agriculture and allied activities (e.g. purchase of agricultural implements and machinery and developmental loans for allied activities).
III. Loans for pre and post-harvest activities viz. spraying, harvesting, grading and transporting of their own farm produce.
b) Loans up to ₹75 lakh against pledge/hypothecation of agricultural produce (including warehouse receipts) for a period not exceeding 12 months against NWRs/eNWRs and up to ₹50 lakh against warehouse receipts other than NWRs/eNWRs.
c) Loans up to ₹5 crore per borrowing entity to FPOs/FPCs undertaking farming with assured marketing of their produce at a pre-determined price

Agriculture Infrastructure

Loans for agriculture infrastructure will be subject to an aggregate sanctioned limit of ₹100 crore per borrower from the banking system.

Ancillary Services

Following loans under ancillary services will be subject to limits prescribed as under:
I. Loans up to ₹5 crore to co-operative societies of farmers for purchase of the produce of members (Not applicable to UCBs)
II. Loans up to ₹50 crore to Start-ups, as per definition of Ministry of Commerce and Industry, Govt. of India that are engaged in agriculture and allied services.
III. Loans for Food and Agro-processing up to an aggregate sanctioned limit of ₹100 crore per borrower from the banking system.
Outstanding deposits under RIDF and other eligible funds with NABARD on account of priority sector shortfall.

Small and Marginal Farmers (SMFs)

For the purpose of computation of achievement of the sub-target, Small and Marginal Farmers will include the following:
I. Farmers with landholding of up to 1 hectare (Marginal Farmers).
II. Farmers with a landholding of more than 1 hectare and up to 2 hectares (Small Farmers).
III. Landless agricultural labourers, tenant farmers, oral lessees and share-croppers whose share of landholding is within the limits prescribed for SMFs.

IV. Loans to Self Help Groups (SHGs) or Joint Liability Groups (JLGs), i.e. groups of individual SMFs directly engaged in Agriculture and Allied Activities, provided banks maintain disaggregated data of such loans.
V. Loans up to ₹2 lakh to individuals solely engaged in Allied activities without any accompanying land holding criteria.
VI. Loans to FPOs/FPC of individual farmers and co-operatives of farmers directly engaged in Agriculture and Allied Activities where the land-holding share of SMFs is not less than 75 per cent.

Lending by banks to NBFCs and MFIs for on-lending in agriculture

I. Bank credit extended to registered NBFC-MFIs and other MFIs (Societies, Trusts etc.) which are members of RBI recognised SRO for the sector, for on-lending to individuals and also to members of SHGs / JLGs will be eligible for categorisation as priority sector advance under respective categories of agriculture.
II. Bank credit to registered NBFCs (other than MFIs) towards on-lending for 'Term lending' component under agriculture will be allowed up to ₹ 10 lakh per borrower.

Micro, Small and Medium Enterprises (MSMEs).

The definition of MSMEs will be as per circular RBI/2020-2021/10 FIDD.MSME & NFS.BC.No.3/06.02.31/2020-21 read with FIDD.MSME & NFS. BC. No.4 /06.02.31/2020-21 dated July 2, 2020, August 21, 2020 respectively on 'Credit flow to Micro, Small and Medium Enterprises Sector' and updated from time to time. Further, such MSMEs should be engaged in the manufacture or production of goods, in any manner, pertaining to any industry specified in the First Schedule to the Industries (Development and Regulation) Act, 1951 or engaged in providing or rendering of any service or services. All bank loans to MSMEs conforming to the above guidelines qualify for classification under priority sector lending.

Type of Enterprise	Investment in Plant & Machinery or Equipments (should not exceed)	Annual Turnover (Should not Exceed)
Micro Enterprise	**Rs. 1.00 Cr**	**Rs. 5.00 Cr**
Small Enterprise	**Rs.10.00 Cr**	**Rs.50.00 Cr**
Medium Enterprise	**Rs.50.00 Cr**	**Rs.250.00 Cr**

Factoring Transactions (not applicable to RRBs and UCBs)

I. 'With Recourse' Factoring transactions by banks which carry out the business of factoring departmentally wherever the 'assignor' is a Micro, Small or Medium Enterprise would be eligible for classification under MSME category on the reporting dates.
II. Factoring transactions pertaining to MSMEs taking place through the Trade Receivables Discounting System (TReDS) shall also be eligible for classification under priority sector.

Khadi and Village Industries Sector (KVI)
All loans to units in the KVI sector will be eligible for classification under the sub-target of 7.5 percent prescribed for Micro Enterprises under priority sector.

Other Finance to MSMEs

I. Loans up to ₹50 crore to Start-ups, as per definition of Ministry of Commerce and Industry, Govt. of India that confirm to the definition of MSME
II. Loans to entities involved in assisting the decentralized sector in the supply of inputs and marketing of output of artisans, village and cottage industries. In respect of UCBs, the term "entities" shall not include institutions to which UCBs are not permitted to lend under the RBI guidelines / the legal framework governing their functioning.
III. Loans to co-operatives of producers in the decentralized sector viz. artisans, village and cottage industries
IV. Loans sanctioned by banks to NBFC-MFIs and other MFIs (Societies, Trusts etc.) which are members of RBI recognised SRO for the sector for on-lending to MSME sector

V. Loans to registered NBFCs (other than MFIs) for on-lending to Micro & Small Enterprises
VI. Credit outstanding under General Credit Cards (including Artisan Credit Card, Laghu Udyami Card, Swarojgar Credit Card and Weaver's Card etc. in existence and catering to the non-farm entrepreneurial credit needs of individuals).
VII. Overdraft to Pradhan Mantri Jan-Dhan Yojana (PMJDY) account holders as per limits and conditions prescribed by Department of Financial Services, Ministry of Finance from time to time, will qualify as achievement of the target for lending to Micro Enterprises.
VIII. Outstanding deposits with SIDBI and MUDRA Ltd. on account of priority sector shortfall.

Export Credit (not applicable to RRBs and LABs)

Export credit under agriculture and MSME sectors are allowed to be classified as PSL in the respective categories viz. agriculture and MSME. Export Credit (other than in agriculture and MSME) will be allowed to be classified as priority sector as per the following table:

Domestic banks / Wholly Owned Subsidiary of Foreign banks/ SFBs/ UCBs	Foreign banks with 20 branches and above	Foreign banks with less than 20 branches
Incremental export credit over corresponding date of the preceding year, up to 2 per cent of ANBC or CEOBE whichever is higher, subject to a sanctioned limit of up to ₹ 40 crore per borrower.	Incremental export credit over corresponding date of the preceding year, up to 2 percent of ANBC or CEOBE whichever is higher.	Export credit up to 32 per cent of ANBC or CEOBE whichever is higher.

Education

Loans to individuals for educational purposes, including vocational courses, not exceeding ₹ 20 lakh will be considered as eligible for priority sector classification. Loans currently classified as priority sector will continue till maturity.

Housing

Bank loans to Housing sector as per limits prescribed below are eligible for priority sector classification:

I. Loans to individuals up to ₹35 lakh in metropolitan centres (with population of ten lakh and above) and up to ₹25 lakh in other centres for purchase/construction of a dwelling unit per family provided the overall cost of the dwelling unit in the metropolitan centre and at other centres does not exceed ₹45 lakh and ₹30 lakh respectively.
II. Housing loans to banks' own employees will not be eligible for classification under the priority sector.

- Loans up to ₹10 lakh in metropolitan centres and up to ₹6 lakh in other centres for repairs to damaged dwelling units conforming to the overall cost of the dwelling unit.
- Bank loans to any governmental agency for construction of dwelling units or for slum clearance and rehabilitation of slum dwellers subject to dwelling units with carpet area of not more than 60 sq.m.
- Bank loans for affordable housing projects using at least 50% of FAR/FSI for dwelling units with carpet area of not more than 60 sq.m.
- Bank loans to HFCs (approved by NHB for their refinance) for on-lending, up to ₹20 lakh for individual borrowers, for purchase/construction/ reconstruction of individual dwelling units or for slum clearance and rehabilitation of slum dwellers, subject to conditions.
- Outstanding deposits with NHB on account of priority sector shortfall.

Social Infrastructure

- Bank loans to social infrastructure sector as per limits prescribed below are eligible for priority sector classification.

- Bank loans up to a limit of ₹5 crore per borrower for setting up schools, drinking water facilities and sanitation facilities including construction/ refurbishment of household toilets and water improvements at household level, etc. and loans up to a limit of ₹10 crore per borrower for building health care facilities including under 'Ayushman Bharat' in Tier II to Tier VI centres.

Renewable Energy

Bank loans up to a limit of ₹30 crore to borrowers for purposes like solar based power generators, biomass-based power generators, wind mills, micro-hydel plants and for non-conventional energy based public utilities, *viz*., street lighting systems and remote village electrification etc., will be eligible for Priority Sector classification. For individual households, the loan limit will be ₹10 lakh per borrower.

Others

The following loans as per the prescribed limits are eligible for priority sector

- Loans Loans provided directly by banks to individuals and individual members of SHG/JLG satisfying the criteria as prescribed in Master Direction on Regulatory Framework for Microfinance Loans Directions, dated March 14, 2022.

- Loans not exceeding ₹2.00 lakh provided by banks to SHG/JLG for activities other than agriculture or MSME, viz., loans for meeting social needs, construction or repair of house, construction of toilets or any viable common activity started by SHGs.

- Loans to distressed persons [other than distressed farmers indebted to non-institutional lenders] not exceeding ₹1.00 lakh per borrower to prepay their debt to non-institutional lenders.

- Loans sanctioned to State Sponsored Organisations for Scheduled Castes/ Scheduled Tribes for the specific purpose of purchase and supply of inputs and/or the marketing of the outputs of the beneficiaries of these organisations.

- Loans up to ₹50 crore to Start-ups, as per definition of Ministry of Commerce and Industry, Govt. of India that are engaged in activities other than Agriculture or MSME.

Weaker Sections

Priority sector loans to the following borrowers will be considered as lending under Weaker Sections category:

(i)	Small and Marginal Farmers
(ii)	Artisans, village and cottage industries where individual credit limits do not exceed ₹1 lakh
(iii)	Beneficiaries under Government Sponsored Schemes such as National Rural Livelihood Mission (NRLM), National Urban Livelihood Mission (NULM) and Self Employment Scheme for Rehabilitation of Manual Scavengers (SRMS)
(iv)	Scheduled Castes and Scheduled Tribes
(v)	Beneficiaries of Differential Rate of Interest (DRI) scheme
(vi)	Self Help Groups
(vii)	Distressed farmers indebted to non-institutional lenders
(viii)	Distressed persons other than farmers, with loan amount not exceeding ₹1 lakh per borrower to prepay their debt to non-institutional lenders
(ix)	Individual women beneficiaries up to ₹1 lakh per borrower (For UCBs, existing loans to women will continue to be classified under weaker sections till their maturity/repayment.)
(x)	Persons with disabilities
(xi)	Minority communities as may be notified by Government of India from time to time.

Overdraft availed by PMJDY account holders as per limits and conditions prescribed by Department of Financial Services, Ministry of Finance from time to time may be classified under Weaker Sections.

Inter Bank Participation Certificates (IBPCs)

IBPCs bought by banks, on a risk sharing basis, are eligible for classification under respective categories of priority sector, provided the underlying assets are eligible to be categorized under the respective categories of priority sector

Priority Sector Lending Certificates (PSLCs)

The outstanding PSLCs bought by banks will be eligible for classification under respective categories of priority sector provided the underlying assets originated by banks are eligible to be classified as priority sector advances.

Bank loans to MFIs (NBFC-MFIs, Societies, Trusts, etc.) for on-lending (not applicable to RRBs, UCBs and LABs)

Banks other than SFBs are allowed to extend credit to registered NBFC-MFIs and other MFIs (Societies, Trusts etc.) which are members of RBI recognised SRO ('Self-Regulatory Organisation') for the sector, for on-lending to individuals and also to members of SHGs / JLGs.

With effect from May 5, 2021, SFBs are allowed to extend fresh credit to registered NBFC-MFIs and other MFIs (Societies, Trusts, etc.) which are members of RBI recognised 'Self-Regulatory Organisation' of the sector, and which have a 'gross loan portfolio' (GLP) of up to ₹500 crore as on March 31 of the previous year, for the purpose of on-lending to individuals. In case the GLP of the NBFC-MFIs/other MFIs exceeds the stipulated limit at a later date, all priority sector loans created prior to exceeding the GLP limit will continue to be classified by the SFBs as PSL till repayment/maturity, whichever is earlier. Bank credit as above will be allowed up to an overall limit of 10 percent of an individual bank's total priority sector lending. These limits shall be computed by averaging across four quarters of the financial year, to determine adherence to the prescribed cap.

Bank loans to NBFCs for on-lending (not applicable to RRBs, UCBs, SFBs)

Bank credit to registered NBFCs (other than MFIs) for on-lending will be eligible for classification as priority sector under respective categories subject to the following conditions:

(i) **Agriculture:** On-lending by NBFCs for 'Term lending' component under Agriculture will be allowed up to ₹ 10 lakh per borrower.

(ii) **Micro & Small enterprises:** On-lending by NBFC will be allowed up to ₹ 20 lakh per borrower.

Bank loans to HFCs for on-lending (not applicable to RRBs, SFBs and LABs)

Bank credit to Housing Finance Companies (HFCs), approved by NHB for their refinance, for on-lending for the purpose of purchase/construction/ reconstruction of individual dwelling units or for slum clearance and rehabilitation of slum dwellers, subject to an aggregate loan limit of ₹20 lakh per borrower. Banks should maintain necessary borrower-wise details of the underlying portfolio.

Bank credit to NBFCs (including HFCs) for on-lending will be allowed up to an overall limit of five percent of individual bank's total priority sector lending. Banks shall compute the eligible portfolio under on-lending mechanism by averaging across four quarters, to determine adherence to the prescribed cap.

Co-lending by Banks and NBFCs to priority sector (not applicable to RRBs, UCBs, SFBs and LABs)

All Scheduled Commercial Banks (excluding SFBs, RRBs, UCBs and LABs) are permitted to co-lend with all registered Non-Banking Financial Companies (including Housing Finance Companies) for lending to the priority sector.

Monitoring of Priority Sector Lending targets

- ✓ To ensure continuous flow of credit to priority sector, the compliance of banks will be monitored on **'quarterly'** basis.
- ✓ The data on priority sector advances is required to be furnished by banks to FIDD, Central Office at quarterly and annual intervals as per the reporting format (quarterly and annual) within fifteen days and one month, respectively from the date of ending of each quarter and financial year
- ✓ In respect of RRBs, the data on priority sector advances, in the above format, must be furnished to NABARD at quarterly and annual intervals.

Non-achievement of Priority Sector targets

I. Banks having any shortfall in lending to priority sector shall be allocated amounts for contribution to the Rural Infrastructure Development Fund (RIDF) established with NABARD and other funds with NABARD/NHB/SIDBI/ MUDRA Ltd., as decided by the Reserve Bank from time to time.
II. While computing priority sector target achievement, shortfall / excess lending for each quarter will be monitored separately. A simple average of all quarters will be arrived at and considered for computation of overall shortfall / excess at the end of the year. The same method will be followed for calculating the achievement of priority sector sub-targets.
III. The interest rates on banks' contribution to RIDF or any other funds, tenure of deposits, etc. shall be fixed by Reserve Bank of India from time to time.
IV. The mis-classifications reported by the Reserve Bank's Department of Supervision (DoS) (NABARD in respect of RRBs) would be adjusted/ reduced from the achievement of that year, to which the amount of misclassification pertains, for allocation to various funds in subsequent years.
V. Non-achievement of priority sector targets and sub-targets will be taken into account while granting regulatory clearances/approvals for various purposes.

Common guidelines for priority sector loans

Banks should comply with the following common guidelines for all categories of advances under the priority sector.

- **Rate of interest:** The rates of interest on bank loans will be as per directives issued by Department of Regulation (DoR), RBI from time to time.
- **Service charges:** No loan related and ad hoc service charges/inspection charges should be levied on priority sector loans up to ₹25,000. In the case of eligible priority sector loans to SHGs/ JLGs, this limit will be applicable per member and not to the group as a whole.
- **Receipt, Sanction/Rejection/Disbursement Register:** A register/ electronic record should be maintained by the bank wherein the date of receipt, sanction/rejection/disbursement with reasons thereof, etc. should be recorded. The register/electronic record should be made available to all inspecting agencies.
- **Issue of acknowledgement of loan applications:** Banks should provide acknowledgement for loan applications received under priority sector loans. Bank Boards should prescribe a time limit within which the bank communicates its decision in writing to the applicants.

Priority Sector Lending Certificates – PSLC-Scheme

1. **Purpose:** To enable banks to achieve the priority sector lending target and sub-targets by purchase of these instruments in the event of shortfall and at the same time incentivize the surplus banks; thereby enhancing lending to the categories under priority sector.
2. **Nature of the Instruments:** The seller will be selling fulfillment of priority sector obligation and the buyer would be buying the same. There will be no transfer of risks or loan assets.
3. **Modalities:** The PSLCs will be traded through the CBS portal (e-Kuber) of RBI. The detailed operational instructions for carrying out the trades are available through the e-Kuber portal.
4. **Sellers/Buyers:** Scheduled Commercial Banks (SCBs), Regional Rural Banks (RRBs), Local Area Banks (LABs), Small Finance Banks (when they become operational) and Urban Co-operative Banks who have originated PSL eligible category loans subject to such regulations as may be issued by the Bank.

Computation of PSL achievement: A bank's PSL achievement would be computed as the sum of outstanding priority sector loans, and the net nominal value of the PSLCs issued and purchased. Such computation will be done separately where sub targets are prescribed as on the reporting date.

Credit Risk: There will be no transfer of credit risk on the underlying as there is no transfer of tangible assets or cash flow.

Settlement: The settlement of funds will be done through the platform as explained in the e-Kuber portal.

Types of PSLCs: There would be four kinds of PSLCs:–

S.No.	Type of PSLCs	Representing	Counting for
1	PSLC -Agriculture	All eligible Agriculture loans except loans to SF/MF for which separate certificates are available	Achievement of agriculture target and overall PSL target
2	PSLC - SF/MF	All eligible loans to small/marginal farmers	Achievement of SF/MF sub-target, agriculture target and overall PSL target
3	PSLC - Micro Enterprises	All PSL Loans to Micro Enterprises	Achievement of micro-enterprise sub-target and overall PSL target
4	PSLC - General	The residual priority sector loans i.e. other than loans to agriculture and micro enterprises for which separate certificates are available.	Achievement of overall PSL target

Thus, a bank having shortfall in achievement of any sub-target (e.g. SF/MF, Micro), will have to buy the specific PSLC to achieve the target. However, if a bank is having shortfall in achievement of the overall target only, as applicable to it, may buy any of the available PSLCs.

Amount eligible for issue: Normally PSLCs will be issued against the underlying assets. However, with the objective of developing a strong and vibrant market for PSLCs, a bank is permitted to issue PSLCs upto 50 percent of previous year's PSL achievement without having the underlying in its books. However, as on the reporting date, the bank must have met the priority sector target by way of the sum of outstanding priority sector lending portfolio and net of PSLCs issued and purchased. To the extent of shortfall in the achievement of target, banks may be required to invest in RIDF/other funds as hitherto.

Expiry date: All PSLCs will expire by March 31st and will not be valid beyond the reporting date (March 31st), irrespective of the date it was first sold.

Value and Fee: The nominal value of PSLC would represent the equivalent of the PSL that would get deducted from the PSL portfolio of the seller and added to the PSL portfolio of the buyer. The buyer would pay a fee to the seller which will be market determined.

Lot Size: The PSLCs would have a standard lot size of ₹ 25 lakh and multiples thereof.
Accounting: The fee paid for purchase of the PSLC would be treated as an 'Expense' and the fee received for the sale of PSLCs would be treated as 'Miscellaneous Income'.

Disclosures: Both seller and buyer shall report the amount of PSLCs (category-wise) sold and purchased during the year in the 'Disclosures to the Balance Sheet'.

Illustration:

1. Bank A may sell PSLCs with a nominal value of Rs.100 crores to Bank B on July 15, 2020. Bank B will reckon Rs. 100 crore towards its priority sector achievement as on the reporting dates of

September 30, 2022, December 31, 2022 & March 31, 2023, while Bank A will subtract the same from its achievement figures for the respective reporting dates. The PSLC will expire by March 31, 2023.

2. Bank C may buy Rs. 100 crore PSLC on March 30, 2023 from Bank D. Bank D will subtract Rs. 100 crore from its PSL reporting on March 31, 2023 while Bank C will reckon the same towards its achievement. The PSLC will expire by March 31, 2023.

Agriculture Loan Products

IB KCC (Rupay Kisan card)

Eligibility/ Target Group	a. All Farmers – Individuals / Joint borrowers who are owner cultivators b. Tenant Farmers, Oral Lessees & Share Croppers c. Self Help Groups or Joint Liability Groups of Farmers including tenant farmers, share croppers etc.
Purpose	1. To meet out the short term credit requirements for cultivation of crops 2. Post-harvest expenses 3. Produce Marketing loan 4. Consumption requirements of farmer households 5. Working capital for maintenance of farm assets and activities allied to agriculture, like dairy animals, inland fisheries etc. 6. Investment credit requirements for agriculture and allied activities like pump sets, sprayers, dairy animals etc. The aggregate of components 1 to 5 above will form the short term credit limit portion and the aggregate of components under 6 will form the long term credit limit portion.
Margin	For crop loans: ✓ Margin is NIL, since in-built while fixing the Scales of Finance For term loan component ✓ For limits up to Rs160000/-: NIL ✓ For limits above Rs160000/- : 15% to 25%. For term loan component, it will be in conformity with the guidelines of RBI/NABARD from time to time.
Loan Amount	• Scale of finance for the crop (as decided by District Level Technical Committee) x Extent of area cultivated + 10% of limit towards post-harvest / household / consumption requirements + 20% of limit towards repairs and maintenance expenses of farm assets + crop insurance **Term loans for investments towards land development, minor Irrigation, purchase for farm equipments and activities allied to agriculture:** • The quantum of credit for term and working capital limit for agricultural and allied activities etc., is to be arrived at based on the unit cost of the asset/s proposed to be acquired by the farmer, the allied activities already being undertaken on the farm, repayment capacity vis-a-vis total loan burden devolving on the farmer, including existing loan obligations. • The quantum of credit for term loan limit for agricultural and allied activities etc., is to be arrived based on the cost of the asset proposed to be acquired by the farmer (As per NABARD guidelines). First year limit for crop cultivation purpose arrived at as above plus 10% of the limit towards cost escalation / increase in scale of finance for every successive year (2nd, 3rd, 4th and 5th year) and estimated Term loan component for the tenure of Kisan Credit Card i.e. five years

Maximum Limit	Short term loan limit arrived for the 5th year plus the estimated Long Term loan requirement for five years will be the Maximum Permissible Limit (MPL) and treated as the Kisan Credit Card Limit.
For Marginal Farmers	A flexible limit of Rs.10, 000 to Rs.50, 000 be provided (as Flexi KCC) based on the land holding and crops grown including post-harvest warehouse storage related credit needs and other farm expenses, consumption needs etc. plus small term loan investments like purchase of farm equipments, establishing mini dairy/backyard poultry as per assessment of Branch Manager without relating it to the value of land. The composite KCC limit is to be fixed for a period of five years on this basis. **Cultivation in leased land Oral Lease**: ✓ Maximum upto Rs.50, 000/- (Land up to 2.5 acres only will be considered). **Registered Lease agreement/ Guarantee from land Owner is available:** ✓ Without collateral security up to Rs.1.60 Lakhs. ✓ With collateral security – No maximum ceiling
Rate of Interest	1. Upto Rs 3.00 lacs: 7% (Wherever Interest Subvention is available) 2. Upto Rs 3.00 lacs: 1 Yr MCLR + 2.50% 3. Above Rs.3.00 lacs & upto Rs.10.00 lacs: 1 Yr MCLR + 2.75% Above 10.00 Lacs below Rs. 100.00 lacs: 1 Yr MCLR + 3.00%
Interest Subvention	✓ Interest subvention (IS) of 1.5% will be available to the Bank up to 3 lakhs charged @ 7% p.a. upfront. ✓ Prompt Repayment incentive (PRI) @ 3% p.a. will be passed on to the customer only on prompt repayment of the entire dues including interest within the Due Date fixed by the Bank or within 1 year from the Date of Disbursement, whichever is earlier.
Repayment	The repayment period may be fixed by branches as per the anticipated harvesting and marketing period for the crops for which a loan has been granted. The term loan component will be repayable depending on the type of activity/ investment as per the existing guidelines applicable for investment credit.
Processing Charges	For arriving at the processing fee combined overall limit under KCC crop loan, KCC Animal Husbandry and KCC Fisheries should be reckoned. ***The above Processing Charge is exclusive of GST. GST to be recovered separately (GST 18%as on date of circular). Branches to check and ensure recovery of Processing Charges with GST.*** Upto Rs. 3 lakh: NIL Above Rs. 3 lakh up to Rs. 10 Lakh: 0.30% of loan amount Above Rs. 10 lakh up to Rs. 1 Cr: 0.25% of loan amount Above Rs. 1 Cr: 0.20% of loan amount
Sanctioning Authority	As per powers in discretionary booklet for this segment.
Security	Security will be applicable as per RBI guidelines prescribed from time to time. Security requirements is as under: i) For KCC limits upto Rs.1.60 Lakh: Hypothecation of Crops ii) For KCC limits upto Rs.3.00 Lakh (With tie up arrangement) : Hypothecation of Crops **Collateral Security:** For limits above Rs.1.60 Lakhs (Without tie up arrangement) – Hypothecation of crops + Pledge of Jewels or Deposit receipts / LIC/NSC assignments / or collateral security by way of MOD / charge creation. In States where the facility of online creation of charge on the land records is available, the same shall be ensured. Some of the sites are as follows; • Punjab: www.plrs.org.in

	• Haryana : www.jamabandi.nic.in • UP: www.bulekha.up.nic.in • Uttarakhand : wwww.uk.gov.in • Rajasthan: www.upnakhata.raj.nic.in • AP: www.meebhoomi.ap.gov.in • Telangana : www.maabhoomi.telengana.gov.in • West Bengal : www.banglarbhumi.com
Others Important Conditions	Validity of KCC for 5 years. One time documentation at the time of first ailment and thereafter simple declaration (about crops raised/ proposed) by farmer Crop insurance is mandatory for the notified crops in notified areas
Classification of accounts as NPA	The extant prudential norms for income recognition asset classification will apply for loans granted under Kisan Credit Card Scheme. As per RBI guidelines on IRAC, a loan granted to short duration crops will be treated as NPA, if the installment of principal and/ or interest thereon remains overdue for two crop seasons. As per RBI guidelines on IRAC, a loan granted to long duration crops will be treated as NPA, if the installment of principal and/ or interest thereon remains overdue for one crop season.

KCC Allied - Animal Husbandry and Fisheries Scheme

Sl.No	Particulars	Guidelines
1.	Target Group & Eligibility	☑ Dairy - Farmers, and Dairy farmers either individual or joint borrower, Joint Liability Groups or Self Help Groups including tenant farmer having owned/rented/leased sheds. ☑ Poultry and small ruminant - Farmers, poultry farmers either individual or joint borrower, Joint Liability Groups or Self Help Groups including tenant farmer of sheep/goats/pigs/poultry/ birds /rabbit and having owned/rented/leased sheds. ☑ Inland Fisheries and Aquaculture - Fishers, Fish Farmers (individual & groups/ partners/ share croppers / tenant farmers), Self Help Groups, Joint Liability Groups and women groups ☑ Marine Fisheries - Fishers, Fish Farmers (individual & groups/ partners/ share croppers / tenant farmers), Self Help Groups, Joint Liability Groups and women groups. who own or lease registered fishing vessel/boat, possess necessary fishing license/permission for fishing in estuary and sea, fish farming/mariculture activities in estuaries and open sea and any other State specific fisheries and allied activities
2.	Purpose	• To meet the short term credit requirement of rearing of animals, Birds, etc (Feeding, veterinary aid, labour, water and electricity supply) • To meet the short term credit requirement of rearing of Fish, Shrimp, other aquatic organisms, capture of fish. etc (seed, feed, organic and inorganic fertilizers, lime/other soil conditioners, harvesting and marketing charges, fuel/electricity charges, labour, lease rent (if leased water area) etc. For Capture fisheries, working capital may include the cost of fuel, ice, labour charges, mooring/ landing charges etc.)
3.	Types of facilities available	Cash Credit
4.	Quantum of finance / Assessment	**Working Capital**

		The quantum of credit for working capital limit is to be arrived based on scale of finance fixed by the District Level Technical Committee (DLTC).
5.	Margin Norms	**For crop loans**, ▪ Margin is NIL, since in-built while fixing the Scales of Finance
6.	Repayment Period	The Loan will be in the nature of Revolving Cash Credit limit. Repayment fixed as per cash flow/ income generation pattern of the activity undertaken by the borrower. The entire cash generated to be routed through Cash Credit account only. Loan should be reviewed and renewed annually.
7.	Rate of Interest	1. Upto Rs 2.00 lacs: 7% (Wherever Interest Subvention is available) 2. Upto Rs 3.00 lacs: 1 Yr MCLR + 2.50% 3. Above Rs.3.00 lacs & upto Rs.10.00 lacs: 1 Yr MCLR + 2.75% Above 10.00 Lacs below Rs. 100.00 lacs: 1 Yr MCLR + 3.00% KCC & KCC Allied put together should not exceed Rs.3.00 lakhs
8.	Security Norms	Security will be applicable as per RBI guidelines from time to time Up to Rs.1.60 Lakh: NIL (Hypothecation of crops only), No collateral. For limits above Rs.1.60Lakhs : Hypothecation of crops + Pledge of Jewels or Deposit receipts / LIC/ NSC assignments/ or Collateral security by way of MOD / Charge creation
9.	Fixation of due date / IRAC Norms	90 days delinquency norms will be followed

Pradhan Mantri Fasal Bima Yojana (PMFBY)

The new scheme introduced for crop insurance is Pradhan Mantri Fasal Bima Yojana (PMFBY. PMFBY will be available to the farmers at very low rates 1.5% for Rabi and upto 2% for Kharif for Food crops, pulses and oilseeds and upto 5% for annual Horticulture/Commercial crops. This scheme would provide insurance cover for all stages of the crop cycle including post- harvest risks in specified instances.

- **The scheme has been made voluntary for all farmers. Branches are advised to keep proper record of farmer’s declarations who have opted out**

KCC Gold PLUS

Type of Loan	Cash Credit
Target Group	All Farmers- Individual who is owner cultivator/ engaged in the activities of Animal Husbandry/ Fisheries
Purpose	The purpose is to meet the short term credit requirements for farmer’s Integrated Farming System as detailed below. • To meet out the short term credit requirements for cultivation of crops including plantation crops. • To meet the short term credit requirement of rearing of animals (including Milch Animals, Sheep/Goat rearing, Rabbit rearing), Poultry Birds, etc. (Feeding, veterinary aid, labour, water and electricity supply) • To meet the short term credit requirement of rearing of Fish, Shrimp, other aquatic organisms, capture of fish. Etc. (seed, feed, organic and inorganic fertilizers, lime/other soil conditioners, harvesting and marketing charges, fuel/electricity charges, labour, lease rent (if leased water area) etc. For Capture fisheries, working capital may include the cost of fuel, ice, labour charges, mooring/ landing charges etc.) • To meet the short term credit requirement of other allied activities like Sericulture, Bee Keeping etc.

Quantum ofLoan	• **Total of 5th year limit of existing KCC loan amount and proposed/ additional KCC loan amount should be more than Rs.1.60 lakh to consider the application under this product**. • **Maximum loan limit is Rs.3.00 lakh.** • Limit to be arrived as per existing KCC procedure. • Eligible limit for respective year will be the lowest of MaximumPermissible limit for respective year (including Crop and AH/ Fisheries component) **or** Loan to Value (LTV) of Gold Ornaments **or** Loanapplied by the applicant. **The Short Term Limit to be arrived for the First year**: Scale of finance for the crop (as decided by District Level Technical Committee/ SLBC) x Extent of area cultivated + 10% of limit towards post-harvest / household / consumption requirements + 20% of limit towards repairs and maintenance expenses of farm assets + crop insurance. **Limit for second & subsequent year:** ✓ First year limit for crop cultivation purpose arrived at as above plus 10% of the limit towards cost escalation / increase in scale of finance for every successive year (2nd, 3rd, 4th and 5th year). ✓ It is assumed that the farmer adopts the same cropping pattern for the succeeding four years. In case the cropping pattern adopted by the farmer is changed in the subsequent year, the limit may be reworked and fresh documentation to be obtained. ✓ In respect of working capital for Animal Husbandry and Fisheries the quantum of credit is to be arrived based on scale of finance fixed by the District Level Technical Committee (DLTC) / State level Bankers Committee (SLBC). ✓ For KCC Gold PLUS product the minimum loan limit (5th year Limit) will be Rs.1,60,001/- and the maximum Loan limit will be Rs.3.00 lakhsand subject to ensuring the maximum limit for AH/Fisheries component of Rs. 2.00 lakhs complying with RBI guidelines on KCC Interest Subvention Scheme. ✓ Even though the KCC limit has two different components viz., cropand AH/Fisheries, a single composite limit is proposed to keep the product simple and user friendly. **However, it should be ensured that the loan component for Animal Husbandry/ Fisheries should not exceed Rs 2.00 lacs under any of the subvention products of the Bank**. ✓ KCC limit will be fixed as detailed above. However, actual disbursement will be as per the limit arrived for the particular year or the value of collateral security less margin, whichever is lower.
Security (Primary)	✓ Hypothecation of crops ✓ Hypothecation of stocks, fodders, feeds, etc.
Security (Collateral)	**Gold Ornaments** ✓ Value of Jewels will be arrived at based on the net weight of gold as per Jewel Appraiser's certificate. ✓ The value of Jewels should be at least 112% of limit sanctioned, i.e. LTV of 90% should be ensured. ✓ Further, it is to be ensured that margin requirement (as detailed above) is strictly complied with at the time of renewal & disbursement during the subsequent years also.

Rate of Interest	• **7% p.a.** up to Subvention End Date/ Limit Expiry Date (whichever is earlier). • **Card Rate + 2.00%** (penal interest) in case account becomes overdue. • At present, Card Rate is 1Yr MCLR + 2.50%
Limit validity	1 Year from the date of opening of the account. However, the KCC limit is valid for 5 years subject to annual renewal.
Processing Fee	NIL
Appraiser Fee	• Jewel Appraiser's Fee is to be recovered from the borrower. • No Appraiser fee will be collected for the first renewal within 12 months i.e Appraiser fee is waived for one time if the loan is renewed promptly within 12 months and availed again subject to the following: ✓ There is no change in the content of the jewels ✓ The security pledged has not moved out of Bank's custody. Appraiser's certificate issued (for the loan renewed) is retained and Fresh Appraiser's certificate is not obtained. ✓ **It is advisable to engage a different appraiser (from the one who has appraised previously) at the time of renewal (whenever applicable) to assess the gold value.**
Interest Subvention	✓ For KCC Gold PLUS Interest subvention (IS) of 1.5% will be available to the Bank as ROI shall be charged @ 7% p.a. upfront. ✓ Prompt Repayment incentive (PRI) @ 3% p.a. will be passed on to the customer only on prompt repayment of the entire dues including interest within the Due Date fixed by the Bank or within 1 year from the Date of Disbursement, whichever is earlier.
IRAC	As per KCC Module
Crop Insurance	• PMFBY / RWBCIS is optional. • The farmers can exercise **opt –in** and **opt - out** of the scheme by submitting a simple declaration anytime during the year but at least 7 days prior to cut off date for enrolment for the respective season. • Branches to maintain proper records of farmers' declarations.
Documentation	Documentation to be taken for 5th year clearly specifying limit for eachyear. The Following documents are to be obtained from customer. • KYC documents for Address and Identify proof including AadhaarNumber. • Loan Application Form (F-120F) • D 68 - Agreement of Hypothecation for Agricultural Loans (MCLR) • Appraiser's certificate on valuation of Jewels offered as collateralsecurity. • Copy of land records • Renewal application form as applicable to KCC.

Other features / guidelines	❖ E-KYC verification / Aadhaar authentication is mandatory for opening the account. ❖ The KCC account can be treated as KCC cum SB account and will earn interest @SB ROI for the credit balance maintained in the account. ❖ RuPay KCC card to be issued to the farmer to operate the account. ❖ The borrower has to route all his transactions through the KCC account. ❖ While renewing the account it should be ensured that the Debit Turnover (including interest & other charges) during the previous 12 months or since the date of last renewal (whichever is earlier) should be less than or equal to the total of Credit Turnover during the previous 12 months & up to the renewal date of the existing month. ❖ Branch has to enter end use verification details in CISLA field. ❖ CIC Reports/ Scores are waived for loans under the Scheme. ❖ **Administrative approval and DeVA approval are waived.** ❖ Branch has to ensure that no borrower avails the benefit of Interest Subvention on KCC for amounts above Rs.3.00 lakh owing to maintenance of KCC accounts under various product codes. ❖ **LTV (w.r.t. gold jewellery) should not be more than 90% at the time of renewal.** ❖ Since LTV is 90%, prompt notice / messages to be sent to the borrower for renewal of the limit within one year. ❖ **Loan for stand-alone animal husbandry/ fisheries activities may not be sanctioned under the product.** However, loan may be sanctioned for animal husbandry/ fisheries activities along with crop cultivation. ❖ **Borrower should be clearly communicated about release ofenhanced limits in the subsequent years is subject to fulfilmentof collateral norms by way of gold jewellery worth not less than 112% of the enhanced limit so as to maintain 90% LTV at the timeof renewal besides compliance of other guidelines for renewal/ enhancements.**

KCC MARINE Gold

Salient features of the Product:

- ✓ Eligible limit under this product shall be above Rs.1.60 lakh and maximum eligible limit will be Rs.2.00 lakh.
- ✓ Limit shall be arrived based on Scale of Finance (SOF) fixed by the DLTC / SLBC.
- ✓ Interest Subvention (IS) @ 1.50% p.a. and Prompt Repayment Incentive @ 3% p.a. shall be available as per KCC scheme guidelines.
- ✓ Pledge of gold ornaments to be taken as collateral security. It should be ensured that LTV should not be more than 90% at the time of renewal.

Type of Loan	Cash Credit
Target Group	All individual marine fishermen
Purpose	• To meet out the short term credit requirements for all marine fishery activities.

Quantum ofLoan	• **The proposed/ additional KCC limit should be more than Rs.1.60 lakh to consider applications under this product.** • **Maximum loan limit is Rs.2.00 lakh.** • Limit to be arrived based on scale of finance fixed by the District Level Technical Committee (DLTC) / State level Bankers Committee (SLBC). • Eligible limit will be the lowest of Maximum Permissible limit arrived as per Scale of Finance (SOF) or 90 % of Loan to Value (LTV) of Gold Ornaments or Loan applied by the applicant. • For KCC Marine Gold Plus product the minimum limit will be Rs.1,60,001/- and the maximum limit will be Rs.2,00,000/- subject to ensuring the maximum limit for AH/Fisheries component of Rs. 2,00,000/- is complied as per RBI guidelines on KCC Interest Subvention Scheme. • **It should be ensured that the subvention under KCC should not exceed Rs 3.00 lakh overall under any of the subvention products of the Bank.** • KCC limit will be fixed as detailed above. However, actual disbursement will be as per the need of the borrower or the value of collateral security less margin, whichever is lower.
Security (Primary)	✓ Hypothecation of assets created out of loan
Security (Collateral)	**Gold Ornaments** ✓ Value of Jewels will be arrived at based on the net weight of gold as per Jewel Appraiser's certificate. ✓ The value of Jewels should be at least 112% of limit sanctioned, i.e. LTV of 90% should be ensured. ✓ Further, it is to be ensured that margin requirement (as detailed above) is strictly complied with at the time of renewal & disbursement during the subsequent years also.
Rate of Interest	• **7% p.a.** up to Subvention End Date/ Limit Expiry Date (whichever is earlier). • **Card Rate + 2.00%** (penal interest) in case account becomes overdue. • At present, Card Rate is 1Yr MCLR + 2.50%
Limit validity	1 Year from the date of opening of the account.
Processing Fee	NIL
Appraiser Fee	• Jewel Appraiser's Fee is to be recovered from the borrower as applicable to Jewel loan. ✓ **It is advisable to engage a different appraiser (from the one who has appraised previously) at the time of renewal (whenever applicable) to assess the gold value.**

Interest Subvention	✓ For KCC Gold PLUS Interest subvention (IS) of 1.5% will be available to the Bank as ROI shall be charged @ 7% p.a. upfront. ✓ Prompt Repayment incentive (PRI) @ 3% p.a. will be passed on to the customer only on prompt repayment of the entire dues including interest within the Due Date fixed by the Bank or within 1 year from the Date of Disbursement, whichever is earlier.
IRAC	90 days delinquency norms will be followed.
Documentation	Documentation to be taken for 5th year clearly specifying limit for eachyear. The Following documents are to be obtained from customer. • KYC documents for Address and Identify proof including AadhaarNumber. • Loan Application Form (F-120H) • D 68 - Agreement of Hypothecation for Agricultural Loans (MCLR) • Appraiser's certificate on valuation of Jewels offered as collateralsecurity. • Copy of Marine Fishers ID card issued by GoI / State Government for doing marine fishery activities • Renewal application form as applicable to KCC. • Insurance is not mandatory. However, declaration to be obtained from the applicant for opting out for insurance.
Other features / guidelines	• E-KYC verification / Aadhaar authentication is mandatory for opening the account. • A declaration from the borrowers as per Annexure shall be obtained before passing the 3% PRI benefit to the eligible borrower • The KCC account can be treated as KCC cum SB account and will earn interest @SB ROI for the credit balance 3183831::17.12.2023 maintained in the account. • RuPay KCC card to be issued to the farmer to operate the account. • The borrower has to route all his transactions through the KCC account. • While renewing the account it should be ensured that the Debit Turnover (including interest & other charges) during the previous 12 months or since the date of last renewal (whichever is earlier) should be less than or equal to the total of Credit Turnover during the previous 12 months & up to the renewal date of the existing month. • Other guidelines applicable to KCC to be followed. • Branch has to enter end use verification details in CISLA field. • CIC Reports/ Scores are waived for loans under the Scheme. • **Administrative approval and DeVA approval are waived.** • Branch has to ensure that no borrower avails the benefit of Interest Subvention on KCC for amounts above Rs.3.00 lakh owing to maintenance of KCC accounts under various product codes. • **LTV (w.r.t. gold jewellery) should not be more than 90% at the time of renewal.** • Since LTV is 90%, prompt notice / messages to be sent to the borrower for renewal of the limit within one year. • **Loan for animal husbandry / Inland Fishery activities should not be sanctioned under this product.**

Administrative Approval for KCC

Branches shall obtain Administrative Approval from the respective Zonal Offices for sanctioning/ enhancing KCCs under the following categories.

- Fresh KCC sanction/ enhancement (after expiry of 5th year).
- For enhancement in KCC limit owing to addition of land by the borrower/ revision in Scale of Finance within the 5 year period/ inclusion of AH/ Fisheries/ other allied activity component.

Chief Manager (Agri/ Credit) shall be the Approving Authority at ZO. In absence of Chief Manager (Agri/ Credit), any other official/ executive not below the rank of Chief Manager shall be the Approving Authority.

Exempted Categories:

- IND DIGI KCC
- KCC GOLD PLUS
- KCC MARINE GOLD
- Proposals sanctioned by MAPC or higher authorities.
- For annual enhancement of 10% as per appraisal (within 5 year period).
- For renewal of KCCs at existing level (within or after 5 year period).

While sending Administrative Approval, the following should be ensured

- ➢ BMs field visit report with Photo
- ➢ CIC Score (CIBIL Score >= 700/ Other CIC Score >= 650)
- ➢ Ownership of land to be verified with the documents- Patta/chitta adangal/ Khasra/ Khatauni.
- ➢ Due diligence of A&L Statement/ Credit Report
- ➢ Due diligence of LSR/EVR, wherever applicable

"Ghar Ghar KCC Abhiyan"

Department of Agriculture & Farmers' Welfare (DA&FW), GoI has decided to launch a Saturation campaign "Ghar Ghar KCC Abhiyan" to cover all left over farmers with special focus to saturate PM Kisan beneficiaries

During this campaign period, KCC (AH& Fisheries) applications received through Jansuraksha Portal shall be disposed off within 14 days from the date of receipt of the completed application.

KCC Digital products

"KCC DIGITAL RENEWAL"

Salient Features:

- ✓ Borrowers can renew their eligible KCC accounts without visiting the branch.
- ✓ TAT will be reduced as renewal will be done on real time basis.
- ✓ No additional documentation required
- ✓ The facility is also available through SMS so as to facilitate KCC renewals through feature phones besides INDOASIS, Internet Banking and Bank's website.

Eligibility Criteria –

- ✓ Account should be under the following KCC Module product codes: 1995-0155, 1995-0022 & 1995-0151
- ✓ e-KYC verified accounts with valid mobile number.
- ✓ KCCs having Account Open Date within 4 years & 6 months prior to the date of digital renewal.
- ✓ Combined limit of all KCCs for a particular customer (CIF) should be up to Rs. 1.60 lakhs.
- ✓ Present Renewal Date is within 90 days prior to the existing Limit Expiry Date.
- ✓ Standard KCCs including SMA.

"IND DIGI KCC"

Under Digital Transformation - "Project Wave", "IND DIGI KCC" has been launched where our existing customers can avail KCC up to Rs 1.60 lacs through omni-channels viz IndOASIS/ Internet Banking/ Bank's Website without necessitating branch visit.

The facility is available in two modes-

- Customer Initiated Journey
- Branch Assisted Journey

Presently, the product is available for the customers having Agriculture land holding in Tamil Nadu, Madhya Pradesh and 4 districts of Uttar Pradesh - Barabanki, Jhansi, Varanasi and Meerut districts Uttar Pradesh and Madhya Pradesh

Product Features

1. The facility is available for our existing customers subject to satisfaction of the following

eligibility conditions

- i) The customer should have Agriculture land holding in Tamil Nadu, Madhya Pradesh and 4 districts of Uttar Pradesh
- ii) The applicant should be our existing customer.
- iii) PAN or Valid Form 60 (Not more than 1-Year-Old) to be updated.
- iv) Customer should be minimum 18 years of age.
- v) Mobile Number should be registered with us.
- vi) CIF should be e-KYC verified. The CIF should also be R-KYC complied wherever applicable.
- vii) There should not be any LIVE KCC in our Bank/ other banks/ FIs.
- viii) There should not be any NPA Account and/ or CLOSED account with "Written-off/ Settled" status in our Bank/ other banks/ FIs.
- ix) CIBIL/ CRIF score should be minimum 700 and 650 respectively.

2. Year-wise limit (up to 5th year) subject to a maximum of Rs 1,60,000/- shall be calculated by system for convenient renewal by the branches in the subsequent years. Customers may get their KCCs renewed through KCC DIGITAL RENEWAL or by visiting their Home branch where renewal can be undertaken through KCC DIGITAL RENEWAL Assisted Journey in all eligible cases.

3. Maximum 5th year loan limit shall be Rs 1,60,000/-.

4. Minimum 5th year loan limit shall be Rs 5,000/-.

5. No requirement of collateral security/ margin.

6. NIL Processing Fees.

7. Disbursement of loan to the borrowers' SB accounts at their discretion is also available

Jewel Loan

Jewels are the traditional and inherited form of savings especially among the people in India. Being one of the most liquid and precious asset, it serves as a dependable and acceptable form of security being offered by people to raise loans for meeting their immediate financial requirements.

Our Bank is providing Jewel loans to the customers under two sectors i.e. both Priority and Non Priority. Tailor-made schemes have been formulated by our Bank to meet the requirements of various types of customers against pledge of gold jewellery, in the form of Ornament and Article.

Ornament means an object, in a finished form meant for personal adornment or for the adornment of any idol or deity or any other object of religious worship, made or manufactured from gold whether or not set with stone or gems (real or artificial), or pearls (real, culture or imitation) or with all or any of them and includes parts of pendant or broken pieces of ornament.
Article means anything, (other than ornament in a finished form), made or manufactured from or containing gold and includes any gold coin and broken pieces of an article but does not include **primary gold** (any unfinished or semi-finished form and includes ingots, bar blocks, slabs, billets, shots, pellets, rods, sheets, foils and wires).

All gold coins (per customer max. 50gms.) of 24 carat fineness with 99.999% purity sold by our Bank and other banks (not other agencies) can be accepted as collateral.

Selection of Jewel Appraisers –

- The appraiser should have experience for about 10 years in assessing the weight, value and the fineness of gold in the ornaments either with stones studded or without stones.
- He should be from a nearby place and from a family of goldsmith.
- Branch Manager must ascertain through local enquiries the conduct and character, family background etc.
- Must have studied at least up to 8th standard and must be conversant with local language.
- Age should be above 30 years but should not exceed 60 years

However, if no suitable appraisers are available for empanelment, the following relaxations may be considered by the Zonal Manager after satisfying with the suitability of the candidates.

- Age up to 5 years for empanelment (i.e. above 25 years)
- Allowing to continue in the panel upto 65 years for already empanelled appraisers
- Experience of 5 years

Branches should ensure that the panel has not less than two appraisers and the services of all the appraisers in the panel are made available for appraisal of jewels on all working days. The below mentioned number of jewel appraisers to be ensured in all branches.

Jewel Loan Business	No of Panel Jewel Appraisers
More than 150 Cr	Minimum of 4
75 Cr to 150 Cr	Minimum of 3
Upto to 75 Cr	Minimum of 2

Lending Rate (Maximum Permissible Amount of Loan):

Reserve Bank of India directed the Banks that gold jewellery accepted as security/ collateral should be valued at the average of the closing price of 22 carat gold for the preceding 30 days as quoted by the India Bullion and Jewellers Association Ltd.

Jewels below 18 Carat finesse should not be accepted as security. Ornaments that contain some portions of wax, copper, or other metals and also a large number of stones need not be accepted as security. The Branch Manager should not accept as security, jewels belonging to temples or shrines.

If the gold is of purity less than 22 carats, the Bank should translate the collateral into 22 carat and value the exact grams of the collateral i.e. Jewellery of lower purity of gold shall be valued proportionately. Accordingly, lending rate will be informed by Corporate Office: Rural Banking Department from time to time.

For Agri Jewel loan (12 months), the lending rate is 85%(maximum permissible amount of loan) of the average of the market price of 22 carat ornamental gold for the preceding 30 days as quoted by the India Bullion and Jewellers Association Ltd subject to scale of finance

However, for Agri Jewel Loan Term Loan product (35 months) and KCC Gold Plus / KCC Marine Gold, maximum lending rate to be considered @ 70% and 90% respectively.

For Jewel loan under Non Agri (Priority), Traders and Non-Priority categories - 70% of average of the market price of 22 carat ornamental gold

For OD against Gold Jewels - 75% of average of the market price of 22 carat ornamental gold

Different methods / tests to identify the purity of gold:

The Gold ornaments shall be appraised by the following methods.

Touchstone Test: Gold/ornaments may be rubbed on a touchstone. The gloss and colour of gold are distinct from those of their base or alloy metals and should, by experience, be noticed. Rubbing on the touchstone may also disclose any spurious substance inside, if the ornaments are merely coated with gold lining/plating.

Nitric Acid Test: Nitric Acid does not make any impression on pure gold; its effect on sovereign gold is very little; but on gold of inferior quality, its reaction is discoloration of the metal to coppery red - the extent of discoloration being dependent on the proportion of the alloy. The discoloration will vary according to the metal used for the alloy. A drop of nitric acid, transferred from the bottle container by a glass rodor tube on the touchstone where gold is rubbed, or even on the jewel itself should disclose the genuineness or otherwise of the gold content of the ornaments.

Gold Purity Testing Machine (Karat Meter): Selected branches are provided with Gold Purity Testing Machines as an additional safety measure.

Jewel Loan - Identification of Hallmarked Gold Ornaments

Bank provides additional per gram lending rate of Rs.50/- for Hallmark type of gold ornaments over normal type

For hallmarked jewels, deduction towards stone, wax, thread etc., is sufficient and further deduction towards impurities need not be made.

Hall marking Scheme: Hall marking is the accurate determination and official recording of the proportionate content of precious metal in Gold. Hallmarks are thus official marks used in many countries as guarantee of purity or fineness of gold jewellery. Hallmarking scheme for gold jewellery was launched by Bureau of Indian Standards (BIS) in the year 2000.

Identification of BIS Hallmarking signs in the gold ornaments:

a) Hall mark jewels purchased before July 2021: The following signs are imprinted on the gold ornaments.

I. Jewellers identification mark / logo
II. Year of marking
III. Hallmarking center's mark
IV. Purity grade
V. BIS stamp

b) Hall mark jewels purchased after July 2021: The following signs would be imprinted on the gold ornaments.

I. **BIS Standard mark :** It shows that the purity of gold jewellery has been checked at a BIS certified centre
II. **Purity/Fineness Grade:** It represents the degree of purity of gold in a particular piece of gold jewellery. Ex: 22K916 – contains 91.6% gold
III. **Hallmark Unique Identification (HUID):** It is a six-digit alpha / alphanumeric code embossed/ etched on the product and it is unique for every jewellery piece

Re-appraisal of Jewels

As per the inspection department manual, overdue loans of two years and above and 15% of other loans selected at random should be reappraised, once in a year, by an appraiser other than the regular appraiser. If any spurious jewel is found during such reappraisal, all the jewel packets should be reappraised. 100% verification of jewels should be done at the time of resignation/termination of jewel appraiser also.

As part of precautionary measures for confirming the quality of security pledged to the Bank, a system of 100% verification of the jewels pledged to the Bank has been introduced in branches. The verification will be on quarterly basis for all the loans sanctioned during every quarter, to be completed by the end of the first month of the next quarter.

Jewel Re-Appraisal Fee:

- ✓ The Reappraisal expenses of Rs.5/- per packet shall be borne by the Bank.
- ✓ In non-traditional jewel loan areas, Minimum remuneration amount of Rs.500/- per day for reappraising of jewels shall be paid.

Auction

Auction should be done before the account becomes NPA, preferably before 18 months from the date of disbursement of the advances in case of Agri Jewel Loan sanctioned as Short Term Loan.

After getting the Zonal office permission, Branch Manager should proceed with issuing registered notices with acknowledgement due to the individual borrowers, stipulating therein a reasonable period, say 15 days, within which the jewels should be redeemed, failing which the jewels will be auctioned by public auction at bank's sole discretion

Branches having substantial JL Business of Rs.40.00Cr and above are designated as "JL Shoppe Branches". It is envisaged to register a minimum growth of 40% under Jewel loan business in the JL Shoppe branches.

Features of "JL Shoppe Branches"

- ✓ Providing an exclusive officer and designating them as JL Champions.
- ✓ Providing an exclusive clerk.
- ✓ Minimum of 2 empaneled Jewel appraisers per branch.
- ✓ Attractive ambience
- ✓ Air conditioning
- ✓ Lesser TAT of less than 20 minutes
- ✓ Additional Glow Sign Board with narration as "JL Shoppe Branch"
- ✓ Adequate publicity

Introduction of additional features for Jewel Loan in CBS:

1. Jewel Delivery status menu – To capture delivery status in CBS at the time of delivery of jewels to the borrower.

2. New feature in F7 account status as "Digitally Re-pledged" - Account status for jewel loan accounts closed and re-pledged digitally will be displayed as "Digitally Re-pledged".

3. Capturing of type of gold ornaments - To capture the details of gold ornaments pledged in CBS collateral screen.

4. Nomination facility for redemption of jewels – Nomination facility is purely voluntary and is at the discretion of the borrower

- ✓ There shall be one nominee for one Jewel Loan.
- ✓ The nominee shall not be a minor.
- ✓ Only home branch of Jewel Loan account shall capture the nominee details

5. Auto generation of unique Jewel Loan Packet Number - Jewel Loan packet number will be auto generated at the time of opening of loan account in CBS. A new menu - "Jewel Packet No" has been created in CBS, wherein user can enquire the Jewel Loan packet number by entering Loan account number and vice versa. The logic for Jewel Packet No is a combination of **IBGA-Calendar year–Sequence no.**

Levy of custodial charges: Custodial charges shall be collected by the branches @ Rs 500/- plus GST per packet of undelivered jewels per annum in all the jewel loan accounts, where the loan is fully repaid or even where a small balance of less than Rs.1000/- in the account is retained, as per details given hereunder:

- ✓ **19th month of availment in the case of Short Term Loans and**
- ✓ **42nd month of availment in the case of Medium Term loans (or)**
- ✓ **One year from the date of adjustment of the jewel loan "whichever is earlier"**

If the Branch is exercising Banker's right to set off against direct / indirect liabilities of the loanee, no Custodial charges to be collected.

Agri. Jewel Loan Products

Short Term Loan:

Name of Product: RBD-AGRI JL- MCLR 1YEAR	
Particulars	**Guidelines**
Target Group & Eligibility	All Farmers involved in Agricultural operations

Purpose	(i) Crop Cultivation. (ii) Repairs to Farm Assets. (iii) Allied activities like Dairy, Fisheries, and Poultries etc. (iv) Agro Processing (v) Repayment of debt taken from Non InstitutionalLenders
Types of facilities	Demand Loan
Quantum of finance / Assessment	➢ Maximum loan amount of Rs.35 lakh per borrower. ➢ 85% of Market value of Gold Jewels pledged (or) Scale of finance / unit cost for approved by DLTC / NABARDwhichever is less.
Repayment Period (Maximum term)	12 months
Processing & other charges	➢ Upto Rs 25000: NIL and Above Rs 25000: 0.20% ofthe loan amount with min of ₹200 plus GST ➢ All other charges: As per circular on service charges related to Agri advances issued from time to time.
Rate of Interest	1 Year MCLR + Spread (0.00) Presently 8.75%
Documentation	• F 120 D – Revised Application for Agricultural loan againstpledge of Gold Ornaments • Declaration of Crop cultivation activity will suffice for Limitup to Rs. 1.00 Lakh. • In case of Agri Allied activities declaration will suffice for Limit up to Rs. 2.00 Lakh. • In case of Repayment of debt taken from Non Institutional Lenders, declaration will suffice for limit upto Rs. 1.00 lakh • Wherever loan amount exceeds Rs. 1.00 lakh for Crop cultivation, Rs. 2.00 Lakh for Agri allied activities andRs.1.00 lakh for Repayment of debt taken from Non Institutional Lenders, proof for land holding/ cultivation/ pursuing Agri allied activities / Other Agricultural operations / indebtedness is to be obtained.
Appraiser Fee	**Branches in Metro and Class I cities:** @ Rs.5 per Thousand subject to a maximum of Rs.500/- per Borrower in a day. **Branches located in other centres:** @ Rs.3 per Thousand subject to a maximum of Rs.300/- per Borrower in a day
End Use of Funds	End Use of Funds (EUF) verification details are to be entered in CISLA field. Navigation is as follows. Common Processing > CISLA > Option - CISLA Additional details > Verification of EUF
Other remarks	Obtaining CIC reports and DAMC approval are exempted.

<u>Medium Term Loan:</u>

Name of Product: RBD-TL-AGRI JL TL-MCLR	
Particulars	**Guidelines**
Target Group & Eligibility	All Farmers involved in Agricultural operations

Purpose	Any investment related activity under Agri / Allied activities
Types of facilities	Term Loan
Quantum of finance / Assessment	➢ Maximum loan amount of Rs.100 lakh per borrower. ➢ 70% of Market value of Gold Jewels pledged (or) Scaleof finance / unit cost for approved by DLTC / NABARDwhichever is less.
Repayment Period (Maximum term)	30 months
Processing & other charges	➢ Upto Rs 25000: NIL and Above Rs 25000: 0.20% ofthe loan amount with min of ₹200 plus GST ➢ All other charges: As per circular on service chargesrelated to Agri advances issued from time to time.
Rate of Interest	1. Up to Rs. 3.00 Lakh: 1 Year MCLR + 2.50% 2. Above Rs. 3.00 Lakh & up to Rs. 10.00 Lakhs: 1 YearMCLR + 2.75% 3. Above Rs. 10.00 Lakh & below Rs. 100.00 Lakhs: 1 YearMCLR + 3.00%
Documentation	• F 120 D – Revised Application for Agricultural loan againstpledge of Gold Ornaments (As annexed) • Proof for the proposed activity to be obtained.
Other remarks	Obtaining CIC reports and DAMC approval are exempted.

<u>"Ind Digi Agri Jewel Loan (New)"</u>

Customers can initiate New Agri Jewel Loan by feeding the data pertaining to list of jewels, its weight, purpose, details required for appraisal through omni-channels viz IndOASIS/ Internet Banking/ Bank's Website

<u>Features:</u>

1. Mobile seeded and Re-KYC complied CIFs
2. Bullet repayment type accounts only.
3. No. of existing Jewel Loan shall not exceed 9 at the time of initiation of Digital Journey.
4. The sanctioned limit of all existing Agri JL Bullet Repayment accounts shall be less than Rs.35 Lakhs.
5. Customers with NPA accounts linked to his/her CIF/PAN are not eligible.
6. Proposed New Loan amount should be up to Rs.35,00,000/- per CIF taking into norms for obtaining of declaration for various agri and allied activities subject to following sub ceiling
   - ➢ Crop cultivation: Upto Rs.1.00 Lakh.
   - ➢ Animal Husbandry / Fishery Component: Upto Rs.2.00 lakh
   - ➢ Repayment of loan taken from non-institutional lenders for Agriculture activities: Upto Rs.1.00 lakh

The customer can login through any of the above navigations and enter the following details.

a. Basic / nominee details
b. Required loan amount
c. Credit Assessment
d. Preferred branch and visit date

The customer shall visit the branch with jewels and land records (if any required). The panel jewel appraiser will appraise the jewels.

Maker: The maker shall select application and verify the details entered by the customer. After verification of credentials, the maker shall enter details of gold ornaments as per panel jewel appraiser's certificate and finally submit for approval.

Checker: The checker shall select Application and verify all the details entered. After verification, the application shall be approved / rejected / sent back to maker. After approval, the pre filled loan document will be downloaded for customer's signature. The checker shall initiate the CBS transactions by clicking "Generate Loan" button. Branch has to preserve the signed loan documents under bank custody as per the extant guidelines

"Ind Digi Agri Jewel Loan (Re-pledge)"

Existing customers would be able to Re-pledge jewels pledged in Agri Jewel Loan up to Rs 4.00 lakh immediately after closure of existing agri jewel loan account digitally (CIF based sanction amount) through omni-channels viz IndOASIS/ Internet Banking/ Bank's Website without necessitating branch visit

Features:

1. Customers having live Agri Jewel Loan account/s including SMA category upto maximum limit of Rs.4,00,000/- only are eligible to avail Ind Digi Agri Jewel Loan (Re-pledge) product.
2. E-KYC Verified, Re-KYC updated and Mobile number seeded CIF and single operative SB accounts are eligible
3. Agri Jewel Loan having multiple collateral and Lien marked Agri Jewel Loan are not eligible
4. Proposed New Loan amount should be up to Rs.4,00,000/- per CIF taking into norms for obtaining of declaration for various agri and allied activities subject to following sub ceiling.
5. Crop cultivation: Upto Rs.1.00 Lakh.
6. Animal Husbandry / Fishery Component: Upto Rs.2.00 lakh.
7. Repayment of loan taken from non-institutional lenders for Agriculture activities: Upto Rs.1.00 lakh
8. The jewel packet of the existing Jewel Loan a/c closed digitally is to be taken out for appraisal
9. Appraise the jewel packets on the same day and appraisal fee has to be collected by the panel jewel appraiser as per the existing guidelines
10. New packet with revised Jewel Loan details is to be arranged in JL safe following the extant guidelines
11. Jewel loan document of a/cs closed digitally shall be kept along with respective new loan document opened digitally
12. Recover the Digital Document Execution (DDE) charges (Rs.12/-) manually

SHG

Criteria for selection of SHG	The SHGs which are already in existence with the active involvement of State Government organization/Voluntary Agencies (VAs) / Non-Government Organizations (NGOs) / Self Help Group Promoting Institutions (SHPI), NABARD etc. are preferred to be brought under the SHG-Bank linkage Programme. Only those persons or if their family is a resident of the village/town/city for a minimum period of two years will be eligible for becoming a member of the SHG. To ascertain this, ration card/Aadhar card/voter ID card or any address proof as stipulated in our Bank's SB account opening form should be verified or a letter from the village Panchayat president/ reputed person in the locality should be obtained evidencing the period of stay of the SHG member/family in the village/town/city. It should be carefully ensured that the members of the new SHGs are not members of any other SHGs. ➢ SHGs should be in active existence for at least 6 months as per their books of accounts (and not from the date of opening of S/B account).

	➢ SHGs should be practicing 'Panchasutras' i.e., regular meetings, regular savings, regular inter-loaning, timely repayment and up-to-date books of accounts. ➢ SHGs should qualify as per grading norms fixed by Bank
Grading of NGO/VA/SHPIs sponsoring SHGs	Existing NGO/VA/SHPI Rating 1.Which secures 72 marks and above(out of 140 marks Grade A)- Can be entertained by for opening of SB accounts of SHGs and sponsoring SHGs for credit linkage 2. Which secures less than 72 marks (out of 140 marks Grade B)- Can be entertained for opening of new SHG SB account and further SHG lending only after upgrading the rating to A by Zonal Office. New NGO/VA/SHPI Rating. Grade A- loan can be entertained Grade B- cannot be entertained for loan
Grading of SHGs	Only SHGs graded as 'A' (80 marks or more) & `B' (70-79 marks) should be considered for credit linkage. Those SHGs which score less than 70 marks should not be considered for financing.
Purpose	The loan amount would be distributed among members based on the resolution plan or the Micro Credit Plan prepared by the SHGs. The loans may be used by members for taking up sustainable livelihoods by individual members within the SHGs, social needs or to finance any viable common activity started by the SHGs. In order to facilitate use of loans for augmenting livelihoods of SHG members, at least50% of loans above ₹ 1 lakh, 75% of loans above ₹4 lakh and at least 85% of loans above ₹6 lakh should be used primarily for income generating productive purposes. MCPs prepared by SHGs would form the basis for determining the purpose and usage of loans. The purposes for which loans are to be given by SHG should be determined by the SHG and its members and it is to be recorded in the group resolution and a copy of the same is to be made available to the bank before availing loan. This may be generally for purposes like purchase of inputs, repairs to farm machinery and similar investments in crop production, dairy, poultry, sheep, petty shop etc. This is to be ensured before disbursal of the loan
Location of SHG	For the convenience of implementing and monitoring, it would be preferable to select SHGs in clusters of villages. The SHGs organized in our service area villages will be selected. Branches should restrict their area of operation **within a maximum distance of 25 km from the branch location**. If the SHG is situated in a place which is beyond 25 km, specific approval should be obtained from the Zonal Manager for entertaining those SHGs.
Type of loan facility	SHGs can avail either Term Loan or a Cash Credit Loan or both based on the need.
Nature of CC facility	Considering the general repayment habits of the SHGs and In order to ensure better monitoring, it is proposed to introduce reducing Monthly Drawing power (MDP) concept in SHG CC facility. Branch may fix the monthly principle repayment amount as per the resolution of SHG & based on MCP (Maximum period-60 months). Therefore, SHGs need to pay the required monthly instalment along with the

<table>
<tr><td></td><td>monthly interest on a regular basis. The outstanding balance above the monthly DP will be treated as overdue amount. In case some SHG opts for repayments in Quarterly/ Half yearly instalments, the same may be approved at ZO level considering the activity / MCP and nature of cash flow with proper justifications

SHG is permitted to freely utilise Annual Drawing Limit, after paying few monthly instalments (i.e. effective MDP would have reduced to that extent in CBS). In that case, based on request & resolution of SHG, Branches may review the account and shall allow further withdrawal maximum upto the Annual Drawing Limit. While increasing/restoring the ADL, fresh monthly reduction amount (monthly instalment) need to be marked in the CBS and fresh monthly reducing DP for the subsequent months will b automatically built in the CBS</td></tr>
<tr><td>Validity of CC Limits</td><td>Cash Credit limits to be sanctioned for 3 Years subject to annual review</td></tr>
<tr><td>Charging of interest in Agri SHG accounts</td><td>Monthly charging of interest is proposed from October 2023 onwards.

However, for SHG Agri accounts, the benefit of simple interest will be continued and the compounding will be done only on Half Yearly rests</td></tr>
<tr><td>Quantum of loan and maximum loan limit under</td><td>
<table>
<tr><th>S.NO</th><th>DOSE</th><th>QUANTUM OF LOAN/ELIGIBLE LIMIT PER SHG (CCL & Term Loan)</th></tr>
<tr><td>1</td><td>First dose/linkage</td><td>6 times of the existing corpus or minimum of Rs 1,50,000/-, whichever is higher.</td></tr>
<tr><td>2</td><td>Second dose/enhancement</td><td>8 times of the corpus at the time review / enhancement or minimum of Rs 3.00 lakh, whichever is higher.</td></tr>
<tr><td>3</td><td>Third dose/enhancement</td><td>Minimum of Rs. 6.00 lakh, based on the Micro credit plan prepared by the SHGs and appraised by the Federations/Support agency and the previous credit history.</td></tr>
<tr><td>4</td><td>Fourth dose/enhancement</td><td>Above Rs. 6.00 lakh, based on the Micro credit plan prepared by the SHGs and appraised by the Federations / Support agency and the previous credit history</td></tr>
</table>
</td></tr>
<tr><td>Repayment period</td><td>Repayment should be based on the expected income /cash generation. Loans from banks to SHGs could be repaid normally in regular monthly installments.
i. For SHG Term loan-
✓ The First dose of loan may be repaid in 24-36 months in Monthly/Quarterly Installments.
✓ The Second dose of loan may be repaid in 36-48 months in Monthly/Quarterly installments.
✓ The Third dose of loan may be repaid in 48-60 months based on the cash flow in Monthly/Quarterly installments.
✓ The loan from Fourth dose onwards may be repaid between 60-84 months based on the cash flow in Monthly/ Quarterly installments.

ii. For SHG CC facility: It is mandatory that the SHGs service the interests at monthly rests irrespective of the activity / SHG product, to avoid slippage in the asset quality</td></tr>
<tr><td>Margin & Security:</td><td>• For loans to SHGs Agri/ allied up to ₹15.00 lakh, no margin will be obtained.
• For Limits above Rs 15.00 Lakhs to Rs. 20.00 Lakh, margin of at least 10% to be insisted.
• For Limit above Rs. 20.00 Lakhs Margin of at least 15 % to be insisted.
• Margin as stipulated by sponsoring agencies shall be applicable if sanctioned under any Govt. Sponsored Scheme.</td></tr>
</table>

	• Corpus may be treated as part of margin. No lien should be marked against savings bank account of SHGs and no deposits should be insisted upon while sanctioning loans. • Subsidy Portion in case of Government Sponsored Schemes may be treated part of margin. **For loans to SHGs up to ₹10.00 Lakh**, no collateral and no margin will be charged. **For loans above ₹10 Lakh and up to ₹20 Lakh**, no collateral with CGFMU coverage. A Separate Product SHG Shakti is designed for this Hypothecation of the assets created out of the loan (total assets created by all the SHG members) will be primary security for the account. As the assets created by members out of SHG loans are not generally current assets in nature unlike in the case of other general CC accounts of Trading/ manufacturing units, obtention of stock statement is not applicable in case of SHG limits.
IRAC Norms for SHG- CC	SHG shall service the monthly interest and repay the instalments (reduction amount of MDP) on a monthly basis and accordingly all the SHG accounts shall be under 90 days delinquency tracking.
Other Important Conditions	1. Sponsoring letter from State Govt. Organisation/NGO/Voluntary Associations is to be obtained, if the group is sponsored by these agencies. 2. Auditing of the books of account of the SHGs is compulsory from second credit linkage onwards. The Audit exercise may be carried out by the auditors appointed by the sponsoring agency or by the Rural Development Officers /Branch Managers/Loan Officers of our Bank.

SHG – NRLM

The Ministry of Rural Development (MoRD), Government of India launched the National Rural Livelihood Mission (NRLM) by restructuring Swarnajayanti Gram Swarojgar Yojana (SGSY) with effect from 01st April 2013. NRLM was renamed as DAY-NRLM (Deendayal Antyodaya Yojana – National Rural Livelihoods Mission) w.e.f. March 29, 2016. The DAY-NRLM is the flagship program of Government of India for promoting poverty reduction through building strong institutions of the poor, particularly women, and enabling these institutions to access a range of financial services and livelihoods.

DAY-NRLM is a Centrally Sponsored Scheme and the financing of the programme would be shared between the Centre and the States in the ratio of 60:40 (90:10 in case of North Eastern States including Sikkim; completely from the Centre in case of UTs)

Eligibility Criteria	➢ SHGs should be in active existence for at least 6 months as per their books of accounts (and not from the date of opening of S/B account). ➢ SHGs should be practicing 'Panchasutras' i.e., regular meetings, regular savings, regular inter-loaning, timely repayment and up-to-date books of accounts. ➢ SHGs should qualify as per grading norms fixed by NABARD.

<table>
<tr><td>Purpose</td><td>The loan amount would be distributed among members based on the MCP prepared by the SHGs. The loans may be used by members for meeting social needs, high cost debt swapping, construction or repair of house, construction of toilets and taking up sustainable livelihoods or to finance any viable common activity started by the SHGs.

In order to facilitate use of loans for augmenting livelihoods of SHG members, at least 50% of loans above ₹ 1 lakh, 75% of loans above ₹4 lakh and at least 85% of loans above ₹6 lakh should be used primarily for income generating productive purposes. MCPs prepared by SHGs would form the basis for determining the purpose and usage of loans.</td></tr>
<tr><td>Type of loan facility</td><td>SHGs may avail either Term Loan (TL) or a Cash Credit Limit (CCL) or both based on their requirement. In case of need, additional loan may be sanctioned even though the previous loan is outstanding, based on the repayment behavior and performance of the SHG.</td></tr>
<tr><td>Quantum of loan and maximum loan limit under SHG DAY NRLM</td><td>
<table>
<tr><th>S.NO</th><th>DOSE</th><th>QUANTUM OF LOAN/ELIGIBLE LIMIT PER SHG (CCL & Term Loan)</th></tr>
<tr><td>1</td><td>First dose/linkage</td><td>6 times of the existing corpus or minimum of Rs 1,50,000/-, whichever is higher.</td></tr>
<tr><td>2</td><td>Second dose/enhancement</td><td>8 times of the corpus at the time review / enhancement or minimum of Rs 3.00 lakh, whichever is higher.</td></tr>
<tr><td>3</td><td>Third dose/enhancement</td><td>Minimum of Rs. 6.00 lakh, based on the Micro credit plan prepared by the SHGs and appraised by the Federations/Support agency and the previous credit history.</td></tr>
<tr><td>4</td><td>Fourth dose/enhancement</td><td>Above Rs. 6.00 lakh, based on the Micro credit plan prepared by the SHGs and appraised by the Federations / Support agency and the previous credit history</td></tr>
</table>
</td></tr>
<tr><td>Repayment period</td><td>In case of CCL, banks are advised to sanction a minimum loan of ₹6 lakh to each eligible SHG for a period of 3 years with a yearly drawing power (DP). The drawing power may be enhanced annually based on the repayment performance of the SHG

<u>Repayment schedule for Term Loans:</u>

a) The first dose of loan may be repaid in 24-36 months in monthly/quarterly instalments.
b) The second dose of loan may be repaid in 36-48 months in monthly/quarterly instalments.
c) The third dose of loan may be repaid in 48-60 months based on the cash flow in monthly/quarterly instalments.
d) From the fourth dose onwards loans may be repaid between 60-84 months based on the cash flow in monthly/quarterly installments.

All credit facilities sanctioned under DAY-NRLM would be governed by the asset classification norms issued by Reserve Bank of India from time to time.</td></tr>
<tr><td>Rate of interest</td><td>Interest subvention scheme on Credit to Women SHG during the year 2023-24 for all Public Sector Banks, Private Sector Banks and Small Finance Banks in all districts

i. The scheme is limited to Women Self Help Groups under DAY-NRLM in rural areas only.
ii. For loans up to ₹ 3 lakh under the scheme, banks will extend credit at a concessional interest rate of 7% per annum. For outstanding credit balance upto ₹ 3 lakh, banks will be subvented at a uniform rate of 4.5% per annum during FY 2023-24.
iii. For loans above ₹ 3 lakh and up to ₹ 5 lakh under the scheme, banks will</td></tr>
</table>

	extend credit at interest rate equivalent to their 1 year-MCLR or any other external benchmark based lending rate or 10% per annum, whichever is lower. For outstanding credit balance above ₹ 3 lakh and upto ₹ 5 lakh, banks will be subvented at a uniform rate of 5% per annum during FY 2023-24. iv. Interest Subvention will be payable only for the period during which an account remains in standard category

DAY-NRLM -SHG	ROI %
Term Loan & WC loans up to Rs.3.00 lakh for all rural Women SHGs in (NRLM-SHGs)	7.00%
Term Loan & WC loans above Rs.3.00 lakh up to Rs.5.00 lakh for all rural Women SHGs in (NRLM-SHGs)	MCLR 1 Year
Term Loan & WC loans Above Rs.5.00 lakh and all other categories	12.50%

Margin & Security:	For loans to SHGs up to ₹10.00 lakh, no collateral and no margin will be obtained. No lien should be marked against savings bank For loans to SHGs above ₹10 lakh and up to ₹20 lakh, no collateral should be obtained, and no lien should be marked against savings However, the entire loan (irrespective of the loan outstanding, even if it subsequently goes below ₹10 lakh) would be eligible for coverage under Credit Guarantee Fund for Micro Units (CGFMU). For loan to SHGs above ₹10 lakh and up to ₹20 lakh, a margin not exceeding 10% of the loan amount exceeding ₹10 lakh may be obtained as per the bank's approved loan policy.
Other Important Conditions	**NRLM Unique Reference Number (Mandatory for NRLM Products):** For claiming interest subvention for SHGs in rural areas, Banks have to furnish Unique Reference Code given by DAY- NRLM / SLRMs in the interest subvention claim. Hence a new field in CBS is introduced to furnish Unique Reference Code while capturing details of SHG Members in the Screen No. 62233.

SHG – NULM

The Government of India, Ministry of Housing and Urban Affairs (MoHUA), restructured the existing Swarna Jayanti Shahari Rozgar Yojana (SJSRY) and launched the National Urban Livelihoods Mission (NULM) in 2013. NULM has been under implementation w.e.f. September 24, 2013 in all district headquarters (irrespective of population) and all the cities with population of 1 lakh or more.

Purpose	• This scheme will focus on financial assistance to groups of urban poor for setting up gainful self-employment ventures/ micro-enterprises, suited to their skills, training, aptitude and local conditions. • A Self Help Group (SHG) or members of an SHG constituted under DAY-NULM or a group of urban poor for self-employment can avail benefit of subsidized loans under this component.

Eligibility	• All members of the group enterprise should have attained an age of 18 years at the time of applying for bank loan • More than one person from the same family should not be included in the same group.
Applicability of the scheme	The scheme is applicable in urban Centers with population of one lakh or more and district headquarters irrespective of population.
Quantum of loan	The SHGs may be sanctioned Savings Linked Loans (varying from a saving to loan ratio of 1:1 to 1:4) after due assessment or grading by banks. However, in case of matured SHGs, loans may be given beyond the limit of four times the savings as per the discretion of the bank.
Nature of Facility	SHGs can avail either Term loan or a Cash Credit Limit (CCL) loan or both based on their needs. In case of need, additional loan can be sanctioned even though the previous loan is outstanding.
Margin & Security	For loans to SHGs up to ₹10.00 lakh, no collateral and no margin For loans to SHGs above ₹10 lakh and up to ₹20 lakh – No Collateral, CGFMU Coverage
ROI	Rate of interest as per guidelines of the Bank. Presently 12.5%
Repayment	**a. For Cash Credit Limit to SHGs:** i) Outstanding balance shall not have remained in excess of the sanctioned limit/drawing power continuously for more than 30 days. ii) There shall be regular credits and debits in the account. In any case there shall be at least one customer induced credit during the month. iii) Customer induced Credits during a month shall be sufficient to cover the interest debited during the month. **b. For Term Loan to SHGs:** A term loan account where all of the interest payments and/or installments of principal were paid within 30 days of the due date during the entire tenure of the loans would be considered as an account having prompt payment.
Financial Assistance	The financial assistance available to urban poor will be in the form of Interest subsidy on the bank loans. Interest charged by the Bank over and above 7% p.a. will be available as subsidy. The difference between 7% p.a. and the rate of interest charged by the bank will be provided to banks under DAY-NULM. An additional 3 percent interest subvention will be provided to all Women Self Help Groups (WSHGs) who repay their loan in time. The Interest subsidy will be subject to timely repayment of the loan (as per the loan repayment schedule) and suitable certification obtained from banks by the ULB (Urban Local Body). The submission and settlement of claims made by banks would be done on monthly basis. The ULB will check the data at their end and will release the interest subsidy amount (difference between 7% p.a. and prevailing rate of interest) to the banks. **OR** Banks can upload XML file format for Master data and XML file format for Claim data for interest subsidy as per Data Structure Document available on www.paisaportal.in

SHG Nirmal

Target Group	➢ Existing Self Help Groups which have **availed** at least 3 doses of credit having satisfactory repayment history and require credit facilities for eligible WASH activities (Water, Sanitation and Hygiene). ➢ SHG Members willing to avail the loan must **possess or own** a household property **either in their name** or in the name of **any family member** and toilet must be built within that property only. A simple declaration from the SHG member to be obtained in this context
Purpose	Loan to SHGs for carrying out **WASH (Water ,Sanitation and Hygiene)** related activities : 1. Construction of Toilets including refurbishment of household toilets. 2. Construction of Water Storage-Overhead Tanks 3. Waste Water Systems-Pipe, Drain, Soak Pits. 4. Improvement of drinking water facilities, Installation of Water Filters/Purifiers , financing construction of water tank, bore well water connection etc. 5. Setting up sanitary napkin manufacturing units.
Nature of Facility	Term Loan
Quantum	Minimum : Rs 20,000/- Maximum : Rs 3,00,000/- (Depending on Project Cost/Estimates submitted by the group)
Margin	10%
Security	Security: Primary: 1. Group Guarantee of SHG members as per existing bank guidelines. 2. Hypothecation of Assets created out of loan proceeds.
	Collateral: Nil
Interest capitalization	Monthly
Rate of Interest	1 Yr MCLR + 5.20%
Repayment	Minimum Term 12 Months and Maximum Loan term shall be 60 Months (monthly) including moratorium period of maximum 3 months.
Disbursement	As per the resolution of the SHG, credit should be made to the individual SB accounts of the SHG members. Disbursement should be in two installments .End Use of previous installment to be verified before release of next installment.
Sanctioning Authority	As per Delegation of Powers.
Review/Renewal	Review of the account has to be done annually. No Charges for annual Review.
Documentation	List of documents 1. Loan Application Form 2. Group Resolution for taking loan from Bank 3. Details of Member wise loan requirement 4. Financial status report 5. Grading Format - Format 2 for repeat linkage to SHGs 6. Appraisal Note cum Sanction Ticket 7. Arrangement letter-cum-Acknowledgement from SHG 8. Demand Promissory Note and delivery letter - D 02 (SHG) 9. Articles of Loan Agreement- D 102 10. Resolution regarding repayment of loan –F-159 11. Loan disbursement / End use statement –F 160 12. Inter – Se – Agreement- F-165

SHG SHAKTI

Target Group	Existing Self Help Groups which have availed at least 3 doses of credit having satisfactory repayment history and require credit facilities above Rs 10 lakhs and up to Rs 20 lakhs. Such SHGs taking up income generating activities in Manufacturing, Services, Trade Sector under MSME and activities allied to agriculture like Pisciculture, Beekeeping, Poultry, Livestock, Rearing, Grading, Sorting, Aggregation agro Industries, Dairy, Fishery, Agri Clinics and Agri Business Centers, Food & Agro Processing, etc (excluding crop loans, land improving such as canals, irrigation, wells) and services supporting these.	
Activities Eligible under CGFMU Coverage with product Description	SHG Shakti Agri	Grading, Sorting, Aggregation agro Industries, Agri Clinics and Agro business centres, Food and Agro Processing etc. (Excluding crop loans, land improving such as canals, irrigation, wells)
	SHG Shakti Allied Agri	Pisciculture, Beekeeping, Poultry, Livestock rearing, Dairy, Fisheries.
	SHG Shakti Non Agri	Income generating Manufacturing, Services under MSME
Purpose	The loan amount would be distributed among members based on the Micro Credit Plan (MCP) prepared by the SHGs. The loans may be used by members for taking up sustainable livelihoods under the eligible sectors as detailed above by the individual members within the SHGs or to finance any viable common activity started by the SHGs.	
Nature of Facility	Term Loan Cash Credit	
Quantum	Above Rs 10.00 lakh and upto Rs 20.00 lakh. Loan Quantum shall be based on the Micro credit plan prepared by the SHGs and appraised by the Branch	
Margin	**Category**	**Minimum Stipulated Margin**
	SHG- (Agri/Allied Agri upto 15.00L)	Nil
	SHG- (Agri/Allied Agri above 15.00L upto 20.00L)	10%
	SHG – Non Agri (upto 20.00L)	10%

	• Margin as stipulated by sponsoring agencies shall be applicable if sanctioned under any Govt Sponsored Scheme. • Corpus may be treated as part of margin. • No lien should be marked against savings bank account of SHGs and no deposits should be insisted upon while sanctioning loans. • Subsidy Portion in case of Government Sponsored Schemes may be treated part of margin.	
Security	Primary	• Group Guarantee of SHG members as per existing bank guidelines. • Assets created out of the credit facility so extended and/or existing unencumbered assets which are directly associated with the project undertaken by the SHG or business for which the SHG loan has been extended excluding personal assets.
	Collateral	Nil
Rate of Interest	**Category**	**Rate of Interest**
	MCLR Linked with annual reset	MCLR (1 Yr) + Spread (2.75%)
Repayment	**For Term Loans:** Maximum Loan term shall be 60 Months. Repayment may be scheduled as EMIs and to commence after an initial moratorium not exceeding 6 months depending on the activity for which the loan is sanctioned. **For Cash Credit Limits:** Cash Credit Limits may be sanctioned with a yearly drawing power (DP).The drawing power may be enhanced annually based on the repayment performance of the SHG subject to maximum quantum of Rs 20.00L.	
Disbursement	As per the resolution of the SHG, credit to the individual SB accounts of the SHG members.	
Processing Charge	Cash Credit	0.25% + applicable GST on limit sanctioned
	Term Loan	0.50% + applicable GST on limit sanctioned
Sanctioning Authority	As per Delegation of Powers.	
Review/Renewal	Review of the account has to be done annually.	
Documentation	<u>**List of documents**</u> Loan Application Form Group Resolution for taking loan from Bank Details of Member wise loan requirement Financial status report Grading Format - Format 2 for repeat linkage to SHGs Appraisal Note cum Sanction Ticket Arrangement letter-cum-Acknowledgement from SHG Demand Promissory Note and delivery letter - D 02 (SHG) Letter of Continuity (For Cash Credit only) –D 03 Articles of Loan Agreement- D 102 Agreement for Backend Subsidy –D 107(wherever applicable) Resolution regarding repayment of loan –F-159 Loan disbursement / End use statement –F 160 Inter – Se – Agreement- F-165	

Credit Guarantee	1. First Loss Guarantee (to be borne by MLIs) is nil for SHG-CGFMU & Extent of Guarantee Cover shall be 75% of amount in default. 2. The guarantee fee shall be 0.25%p.a. during first year and 0.50%p.a. in subsequent years. The guarantee fee shall be charged on outstanding balance at the time of sanction (on pro rata basis) and thereafter on annual basis for renewals. 3. Guarantee coverage is valid till the end of each Financial Year and is subject to annual renewal 4. All other procedures for submission of details to NCGTC & lodgment of claim on portfolio basis as applicable for existing CGFMU covered accounts shall be followed.
Other Features	. **End Use Verification:** After disbursal, within a month**,** branch should obtain a resolution from the group detailing the end use of the loan availed and receipt from all members countersigned by the sponsoring agency which should be kept along with the document. . **Monitoring** : a) Branch officials should periodically attend the group meeting, cross check the liabilities of various members of the group in the meeting itself and ensure that the loan records are maintained properly by the SHG. Pre and post sanction visits by the BMs/ RDOs/ Officers of the branches should be recorded and made available to the inspecting officials. b) Branches while approving repeat doses of cash credit facility should undertake performance review of existing operations, actual growth in SHG's own corpus and the debt servicing history and the capacity of SHGs. c) Loans should be sanctioned as cash credit facility only except for Govt sponsored schemes which have back ended subsidy or wherein the SHGs undertake group activity, where term loans are considered. 3. The loans extended for purely agriculture activities (crop loans, land improving such as canals, irrigation, wells) are not eligible to be covered under CGFMU

SHG GRIHALAKSHMI (Housing loan to SHG Members)

Sl.	Particulars	Guidelines
1.	**Target Group & Eligibility**	• SHGs in active existence/good track record for a minimum period of 1 year and above which are preferably carrying out economic activity either individually or jointly so as to have repaying capacity. • All members of the identified SHG in the age group between 18- 60 years. • Applicant should possess title deed/patta pass book/legally valid document/allotment letter issued by appropriate revenue authority and supported by other documents like tax paid receipt either in the name of the SHG member or in the name of his/her family members conveying clear title. (If the property is in the name of the family member, the owner should become a co-borrower). In the rural areas absence of perfect title deed is a common constraint. However, before an advance is sanctioned, it should be ensured that the applicant/ his or her family member is the owner of the land on which the house is proposed to be constructed. To establish the rights branches need to call for documents for verification. Failure to ensure this may put the SHG member into difficulty later and to obviate such a situation, adequate care has to be taken. • Loan should be recommended by the SHG/NGO, though loan will be in the names of individuals.

2.	**Purpose**	Construction/purchase of a house including sheds/godowns/to carry out related economic activities (eg. Cattle shed, provision store, Vegetable shop etc.) All kind of improvements/ repairs/ maintenance/ value addition/ extension of existing house/ shed such as Replacing thatched roof with RCC/Tiled roof Construction of toilets/bathrooms/compound wall Installation of Rainwater harvesting devices Loan for purchase of plot/site should be part of the Housing loan. *(Transfer of property among blood relatives/family members not permissible)*
3.	**Types of facilities available**	Term loan only
4.	**Quantum of finance / Assessment**	Maximum loan limit Rs.100000/- per member Loan not to be linked with savings of the SHGs. Income generated from all his/ her (SHG members) known sources including the economic activity undertaken, should be adequate to service interest/installment during the loan period. All the other loans availed by the SHG/SHG members should be regular. Quantum of loan and number of members proposed to be assisted is left to the wisdom of the group, subject to conditions of the scheme.
5.	**Margin Norms**	10%
6.	**Repayment Period**	❖ Repayment is spread over a maximum period of 15 years. ❖ Installments to be repaid in convenient monthly/quarterly/half yearly/annual installments depending upon the income generated by the SHG member. Installments can be flexible in deserving cases i.e. either monthly or quarterly or half yearly. ❖ Repayment of the loan will commence after holiday period of 6 months from the date of loan disbursement, if it is for construction and 3 months, if ready built house is purchased.
7.	**Processing & other charges**	NIL
8.	**Rate of Interest**	As applicable to IB Home Loan Scheme
9.	**Interest compounding / cap. frequency**	Monthly
10.	**Security Norms**	❖ Equitable/Registered mortgage of the plot/site on which the house is proposed to be constructed. Wherever EM could not be created due to non-availability of title deeds and where RM is cost prohibitive, Branch Managers in meritorious cases can sanction the loan by taking the guarantee of two other SHG members of the group to which he/she belongs and duly authorized by the SHG. ❖ Value of the asset purchased should at least cover the loan amount. ❖ For the purpose of security, this facility need not be combined with any other loans availed by the member.
11.	**Documentation**	➢ Letter from the NGO sponsoring the application (for SHGs formed with the support of the NGO/MFI) along with resolution from the SHG. ➢ Estimate prepared by the member applicant and endorsed by SHG/NGO. ➢ D-96 Term Loan Agreement for Housing Finance. ➢ D-7 (Disposal of proceeds). ➢ F 165 (Inter-se-Agreement duly stamped). ➢ D 32, 33, 34,34A (whichever is applicable).

12.	**Disbursement**	❖ Branch should disburse the loan in two stages one for the basement and second for roofing. ❖ SHG or NGO to recommend release after ensuring end use. ❖ Branch also to carry out periodical site inspection about the proper end use of funds.
13.	**Insurance**	• House building/ Shed constructed/ purchased, should be comprehensively insured against all risks at borrower's cost
14.	**Discretionary Powers**	All the Branch Managers in Rural/ Semi-urban/ urban branches, irrespective of scale are permitted to sanction loans under the scheme.
16.	**Other conditions**	◆ In case the loan is availed for the purchase of an existing house /shed the residual life of the building should be more than the tenor of the loan plus 10 years. A certificate from bank's approved engineer to this effect should be obtained. ◆ Approval for building plan should be available from the local bodies/competent authority invariably. ◆ Penal interest of 2% is to be levied for delayed payment beyond the due date for the overdue portion.
17.	**Classification**	All loans under the scheme will be classified as Priority Sector Advances

Scheme for financing PLF/ALFs in Tamil Nadu State

1.	**Target Group & Eligibility**	➢ Only Panchayat Level Federations (PLF) / Area Level Federations (ALFs) recognized by Tamil Nadu Corporation for Development of Women (TNCDW)/ Pudhu Vazhu Project, registered under Tamil Nadu Societies Registration Act 1975, and are in existence for more than 6 months (from the date of registration as society) are eligible for credit linkage under this scheme. ➢ SHGs, which are six months old and have passed the first credit rating, are eligible to become the members of PLF/ALF. All Types of SHGs that are functioning as per norms (except Youth, men SHGs) in a Slum/Ward level irrespective of their promoters, can become members of PLF/ALF. ➢ Member SHGs in PLF/ALF should not be a defaulter of loan availed from Banks / FIs/ MFIs/ under SHG bank linkage / SGSY scheme / other Govt. schemes etc., ➢ KYC norms are to be followed in opening of accounts of PLF/ALF and member SHGs. ➢ PLF/ALF and member SHGs should have their SB account with financing bank only so that the transfer of funds from PLF/ALF to SHGs can be made easily by the branch. ➢ The PLF/ALFs securing 'A' (>80 marks) & 'B' grade (>60 marks) in the PLF/ALF grading (Max 100 marks) shall alone be considered for financing. ➢ 75% of the limit sanctioned should be utilized for income generating activities by the member SHGs. ➢ If the PLF/ALFs scoring less than 60% for 'maintenance of books of accounts', even if eligible otherwise shall not be considered for financing. ➢ If the repayment rate of any member SHGs is less than 95%, such PLF/ALFs shall not be considered for financing even if otherwise eligible.
2.	**Purpose**	For on lending to SHGs.
3.	**Types of facilities available**	Term loan

4.	**Assessment for On-lending to SHGs.**	The credit limit to be arrived at for the PLF/ALF shall be the aggregate of credit limits arrived for the member SHGs based on the existing norms for assessment of SHG Bank linkage less their aggregate existing loan outstanding (non-overdue) of member SHGs, subject to the following: Limit for individual SHG is arrived as below: **First dose** - 6 times of the existing corpus or minimum of ₹1.5 lakh, whichever is higher **Second dose** - 8 times of the existing corpus or minimum of ₹3 lakh, whichever is higher **Third dose & Subsequent doses** - Minimum of ₹6 lakh, based on the MCP prepared by the SHGs, **Maximum of 10 times of the group corpus.**
5.	**Maximum credit limit to PLF/ALF**	✓ The Maximum credit limit for a PLF/ALF : 1st linkage Rs 50.00 lakh and 2nd linkage onwards Rs 100.00 lakh. ✓ However, enhancement of limit based on request will be considered only after three months after studying the performance of the PLF/ALF in their Management and credit monitoring aspects, as spelt out in the scheme. ✓ PLF/ALF should ensure that member SHG should not lend more than Rs. 1.00 lakhs per member out of the PLF/ALF loan proceeds. ✓ PLF should obtain undertaking from member SHGs to this effect.
6.	**Margin Norms**	➢ NIL Margin (as applicable to SHG Bank linkage program). However PLF/ALF should ensure the compliance of the RBI prescribed margin of 10% if loan to member SHG exceeds Rs. 10 lakhs.
7.	**Repayment Period**	✓ 3-5 years. Monthly repayment. The PLF/ALF shall make regular periodic repayment of the loan instalments and interest as and when due irrespective of the repayment by their member SHGs to PLF/ALF.
8.	**Processing fee**	0.50% of the loan limit excluding GST.
9.	**Rate of Interest**	1. Upto Rs 3.00 lacs: 1 Yr MCLR + 2.50% 2. Above Rs.3.00 lacs & upto Rs.10.00 lacs: 1 Yr MCLR + 2.75% 3. Above 10.00 Lacs below Rs. 100.00 lacs: 1 Yr MCLR + 3.00% 4. **Rs. 100.00 lakhs & Above - Linked to Internal (RAM) Rating of borrowers as below**
10.	**ROI&other charges by the PLF/ALF to SHGs**	The PLF/ALF shall not charge the member SHGs (by way of interest and other charges) more than 3.5% over the Bank's rate of interest.
11.	**Security Norms**	• Hypothecation of Book debts/ receivables arising out of Bank loan shall be the Primary security. • If any asset is created by PLF/ALF, the same will be hypothecated.
12.	**Documentation**	❖ Application form (along with passport size photographs of office bearers of the PLF/ALF) ❖ Sponsorship letter from Project Officer: Mahalir Thittam/ Project Manager: Pudhu Vazhu Project. ❖ List of SHGs in the PLF/ALF with address and names of the animator and representatives, Office bearers of PLF/ALF and members of PLF/ALF-Executive Committee authenticated by Mahalir Thittam / Pudhu Vazhu Project / SB account details of member SHGs. ❖ Copy of registration under TN Societies Act 1975 & Bye Laws/ Rules and Regulations of the PLF/ALF. ❖ Copy of resolution from PLF/ALF seeking credit assistance to PLF/ALF with details of the requirements of the member SHGs. ❖ Copy of Grading Sheet of PLF/ALF ❖ Copy of PAN Card of PLF/ALF ❖ Copy of assessment of credit eligibility ❖ Copy of Audited Balance Sheet for PLF/ALF aged more than 1 year. ❖ Sanction Ticket to be issued in duplicate and one copy acknowledged by the PLF/ALF to be kept with the documents.

		❖ D2 – Demand Promissory Note signed by the authorized signatories. ❖ D-70A: Loan Agreement for advances granted to NGOs/ VAs (Voluntary Agencies). ❖ D-101: Agreement of hypothecation of movables in case movables are taken as additional securities. ❖ D-105- Agreement for Open Cash Credit (Stocks/Book debts) ❖ D107 – Agreement for Backend Subsidy (if subsidy is applicable). ❖ F 84: Resolution required to be passed by Society/ Clubs/ Trusts etc.,
13.	**Discretionary Powers**	Sanction of loans to PLF/ALF shall be at the level of ZLCC only.
14.	**Classification**	To be classified under Priority Sector ✓ Agriculture – If loans sanctioned to PLF/ALF for on lending to SHGs for agriculture and allied activities. ✓ MSME – if loan sanctioned to PLF/ALF for on lending to SHGs for MSME activities.
15.	**Disbursement**	SHGs should be encouraged to use at least 75% of the loan for income generating activities from second dose onwards. The loan proceeds should be credited to the SB a/c of PLF/ALF only. Based on the resolution made in the PLF/ALF, the loan proceeds should be credited to SB account of member SHG by the debit of SB account of PLF/ALF. **No cash withdrawal of loan proceeds should be allowed either by PLF/ALF or by member SHGs.** Each stage of release should be supported by resolution of PLF/ALF containing detailed information on SHG wise loan amount and purpose (consumption/ economic activity) etc., The Credit Linkage Monitoring subcommittee of PLF/ALF shall ensure the end use, monitor asset maintenance by members of SHGs including insurance with bank clause and maintain the records. The bills and other documents as proof of asset creation shall be maintained by credit linkage and monitoring sub-committee of PLF/ALF and produced to the Bank for verification by Branch Manager, as and when required. PLF/ALF should furnish the details of assets created by individual members of SHGs to the Branch and Branch Manager/ RDO will take inspection on random basis and make a record
16.	**Other Terms and Conditions**	• All the funds/ transactions of PLF/ALF should be routed through the SB a/c maintained with our Bank branch where the loan account is maintained. • Branch Manager should personally get involved in grading the groups and PLF/ALF jointly with the other members of the grading team and should not, on any account, accept the rating done without his/her participation. • Branch Managers should attend the General Body meeting of PLF/ALF once in a quarter as a special invitee and verify their records/ accounts maintained by the PLF/ALF and interact with the members. PLF/ALF should submit minutes of the General Body meeting to the branch every quarter. The Branch Manager /Officer of the lending branch should attend the SHG meetings randomly and PLF/ALF meetings periodically • PLF should verify the end use by the SHGs/ maintenance of assets/ insurance etc. by forming Credit Linkage monitoring sub-committee and submit report on quarterly basis to the Bank. Auditing of accounts should be made once in a year and a copy should be submitted to the branch. • Transactions (for transfer of funds for on-lending and repayment) between PLF/ALF and SHGs should be through SB accounts only. • Any Change in office bearers should be immediately intimated to the Bank • **As PLF/ALF is registered under Societies Act, annual statements have to be filed with Registrar of Societies, who will issue a receipt for the same. A copy of the receipt should be furnished to the branch by the PLF/ALF every year. PLF/ALF office bearers should not hold any political office.**

Micro Finance Institutions (NBFC-MFIs / Non NBFC-MFIs)

Sl.	Particulars	Guidelines
1	**Background & Scheme Guidelines**	Microfinance is a form of financial service which provides small loans and other financial services to poor and low-income households. It is an economic tool designed to promote financial inclusion which enables the poor and low-income households to come out of poverty, increase their income levels and improve overall living standards. It can facilitate achievement of national policies that target poverty reduction, women empowerment, assistance to vulnerable groups, and improvement in the standards of living. Indian microfinance sector has witnessed phenomenal growth over past two decades in terms of increase in both the number of institutions providing microfinance as also the quantum of credit made available to the microfinance customers.
2	**Definition of Microfinance Loan**	1. A microfinance loan is defined as a collateral-free loan given to a household having annual household income up to Rs.3,00,000 (Three Lakhs). For this purpose, the household shall mean an individual family unit, i.e., husband, wife and their unmarried children (Earlier, the cap was at ₹1.25 lakh for a rural household and ₹2 lakh for urban borrowers). 2. Assessment of household income 3. All collateral-free loans, irrespective of end use and mode of application/ processing/ disbursal (either through physical or digital channels), provided to low-income households, i.e., households having annual income up to ₹3,00,000 shall be considered as microfinance loans. 4. To ensure collateral-free nature of the microfinance loan, the loan shall not be linked with a lien on the deposit account of the borrower
3	**Target Group**	**MFIs Non-Banking Financial Companies (NBFCs):** Non-Banking Financial Companies (NBFCs) registered under the companies Act,1956/2013. (NBFCs which are accepting deposits are required to be registered with RBI). **Not for profit MFIs:** a) Societies registered under Societies Registration Act, 1860 or similar State Acts. b) Public Trusts registered under the Indian Trusts Act 1882 c) Non Profit companies registered under Section 25 of the Companies Act, 1956. **Mutual Benefit MFIs:** a) State Cooperative Societies (incorporated under State Co- operative Acts) b) National Credit Cooperatives (Central Multi State Co-operative Act) c) Mutually Aided Cooperative Societies (MACS)-only in Andhra Pradesh so far incorporated under Andhra Pradesh Mutually Aided Co-Op. Societies Act 1995) d) Others: Any other type of institutions like SHG Federations, Self Help Groups Promoting Institutions (SHPIs), etc. that offer micro finance and related services may be considered on merit.

4	**Eligible Activities**	1. The loans to ultimate borrowers should be utilised for financing micro enterprises and farm/non -farm activities. 2. The loans to ultimate borrowers should be utilized for financing in the project report/proposal submitted to the Bank, the activity wise groups in each area should be indicated by the MFI. 3. Bank should be provided with the end use details when the Bank finance is utilized
5	**Criteria for 'Qualifying Assets'**	1. Under the earlier qualifying assets criteria, MFIs are required to have minimum 85% of its net assets as qualifying assets. The minimum requirement of microfinance loans for MFIs stands revised to 75% of the total assets. 2. Under the earlier guidelines, an NBFC that does not qualify as an NBFC-MFI, cannot extend microfinance loans exceeding 10% of its total assets. The maximum limit on microfinance loans for such NBFCs (i.e., NBFCs other than NBFC-MFIs) now stands revised to 25 per cent of the total assets
6	**Delivery Channels**	1. MFIs may on-lend directly to SHGs/members or route their assistance through their partner NGOs/MFIs. 2. All such groups/members should be specifically earmarked to be covered by the bank finance
7	**Types of Facilities**	Term Loan Working capital
8	**Assessment of Limit**	Term loan limits will be assessed based on the cash flow. Project Based Lending and Client Based Lending
9	**Entry level Hurdle rating and Rating Models**	**External Rating:** For MFI's, investment grade is external rating (Grading) 'mfR3' by accredited Credit Rating Agencies. In case of exposure below Rs.1.00 Crore Scoring model will be applicable **Internal Rating:** Combined internal rating IB BBB (Based on RAM) **RAM rating Models** Loan amount below Rs. 5.00 Crore: MFI Model Loan amount of Rs. 5.00 Crore and above: NBFC Model **Entry level barrier are subject to prevalent Credit Policy & CRMC Policy.**
10	**Margin Norms**	• Term Deposit equivalent to 10% of the loan amount, is required to be pledged as security wherein Bank's lien to be noted. • The lien should be noted on the Term Deposit upto closure of the loan. • This margin would be appropriated for the first default occurrence and the MFI should in due course bring the margin to the original level of 10% and undertaking to be obtained for the same. **If cash collateral is not offered, margin by way of book debts shall be 25%**
11	**Security Norms**	**Primary Security:** Hypothecation of Book debts equivalent to the loan amount (100%). **Collateral Security:** 1. Lien of Term Deposit /MMD equivalent to 10% of loan amount. 2. EM of any other collaterals offered, if any, by the MFI. In case of non-availability of 10% security deposit, the value of the book debts hypothecated should be at least 125% of loan amount including those created out of our Bank loan.

<table>
<tr><td></td><td></td><td>The Book Debts hypothecated should be specifically earmarked to the Bank with details of groups covered, area operated, activity(ies) financed.

In respect of the groups/Book Debts specifically charged, an Auditor may be engaged from Bank’s Panel to certify the Book Debts once in a quarter</td></tr>
<tr><td>12</td><td>Repayment</td><td>Repayable in Monthly / quarterly installments with maximum tenure of 60 months including Holiday period.</td></tr>
<tr><td>13</td><td>Processing charges & other charges</td><td>MFIs: 1.00% irrespective of limit
Financing to NBFC-MFIs: Linked to Internal (RAM) Rating of borrower</td></tr>
<tr><td>14</td><td>Rate of Interest</td><td>For limits of Rs. 100.00 lakhs & Above - Linked to Internal (RAM) Rating</td></tr>
<tr><td>15</td><td>Benchmarks and ratios</td><td>Ratios:
<table>
<tr><td>Operational Self Sufficiency (OSS)</td><td>At least 100%</td></tr>
<tr><td>Operating Cost Ratio (OCR)</td><td>Not more than 20%</td></tr>
<tr><td>Total Cost Ratio (TCR)</td><td>Not more than 30%</td></tr>
<tr><td>Portfolio at Risk (PAR)</td><td>Not more than 7.5%</td></tr>
<tr><td>Repayment Ratio</td><td>Not less than 95%</td></tr>
<tr><td>TOL/TNW</td><td>Not more than 10</td></tr>
<tr><td>Equity to Fixed Assets</td><td>not be more than 1 for “For Profit MFIs”</td></tr>
<tr><td>Current ratio</td><td>not less than 1.33.</td></tr>
<tr><td>Net NPA</td><td>shall be less than 3.00%</td></tr>
<tr><td>Return on Assets (ROA)</td><td>not less than 1.00% for MFI</td></tr>
</table></td></tr>
<tr><td>16</td><td>Documentation</td><td>As per Documentation manual.</td></tr>
<tr><td>17</td><td>Product Code</td><td>5701-0003 : RBD-TL-MFI/NBFC-MFI
5810-0001 : RBD-OCC-MFI/NBFC-MFI</td></tr>
<tr><td>18</td><td>Other details</td><td>As per RBI Master Direction and all other guidelines issued by RBI in respect of NBFC - MFI.
All guidelines issued from time to time / as per Credit Policy to be complied with.

Net Owned Fund (NOF) Requirement
<table>
<tr><td>NBFCs</td><td>Current NOF</td><td>By March 31,2025</td><td>By March 31,2027</td></tr>
<tr><td>NBFC - MFI</td><td>₹5 crore (₹2 crore in NE Region)</td><td>₹7 crore (₹5 crore in NE Region)</td><td>₹10 crore</td></tr>
</table></td></tr>
</table>

JOINT LIABILITY GROUP

A Joint Liability Group (JLG) is an informal group comprising preferably of 4 to 10 individuals coming together for the purposes of availing bank loan either singly or through the group mechanism against mutual guarantee.

The JLG members are expected to engage in similar type of farm activities, off-farm activities like dairy, poultry, etc. and nonfarm activities.

Sl.	Particulars	Guidelines
1.	Target Group & Eligibility	☑ Small/Marginal and Tenant Farmers ☑ Oral Lessees, Share croppers ☑ Micro Entrepreneurs, Artisans, SHG members etc.
2.	Purpose	• Agriculture • Allied Agri • Non Agri activity

<table>
<tr><th>Sl.</th><th>Particulars</th><th>Guidelines</th></tr>
<tr><td>3.</td><td>Types of facilities available</td><td>1. KCC
2. Term Loan

Model A – Financing individuals in the Group.
Model B – Financing the group.</td></tr>
<tr><td>4.</td><td>Quantum of finance / Assessment</td><td>For **Agriculture, Allied Agri and Non Agri** activity the maximum loan to the group will be Rs 10,00,000/- subject to a maximum of Rs.1,00,000/- to an individual.

For **Tenant and Oral lessees,** the maximum loan amount is Rs.5,00,000/ to the group subject to a maximum of Rs 50000/- to an individual.</td></tr>
<tr><td>5.</td><td>Margin Norms</td><td>No Margin for Agri and Allied Agri activities.

<u>For MSME activities:</u>
upto Rs 50000/- per individual – NIL

Above Rs 50000 and uptoRs 100000/- per individual - 10%</td></tr>
<tr><td>6.</td><td>Repayment Period</td><td>**For KCC** - the repayment period may be fixed by branches as per the anticipated harvesting and marketing period for the crops for which a loan has been granted.

For Term Loan - Minimum 6 months and maximum 60 months depending on the activity for which the loan is sanctioned.</td></tr>
<tr><td>7.</td><td>Processing & other charges</td><td>JLG Agri, Allied and Non Agri<table><tr><th>Credit limits</th><th>Rates</th></tr><tr><td>Upto Rs. 25000 per JLG memeber</td><td>NIL</td></tr><tr><td>Above Rs. 25000 per JLG member</td><td>0.25% of entire limit</td></tr></table></td></tr>
<tr><td>8.</td><td>Rate of Interest</td><td>1 Yr MCLR + Spread (2.75%)</td></tr>
<tr><td>9.</td><td>Interest capitalization</td><td>Agri – Half yearly
Allied and Non Agri - Monthly</td></tr>
<tr><td>10.</td><td>Security Norms</td><td>No collateral is insisted. Mutual guarantees offered by the JLG members are kept on record.</td></tr>
<tr><td>11.</td><td>Documentation</td><td>**For Model A:**
✓ D1 Single / Joint Demand Promissory Note
✓ Self-Declaration Form
✓ Application cum Appraisal Form
✓ Joint Liability Agreement
✓ Letter of Undertaking
✓ D68A Hypothecation Agreement for Agricultural Advances without additional / Collateral security
For Model B: Documents same as applicable for SHGs</td></tr>
<tr><td>12.</td><td>Other details</td><td>1. A Joint Liability Group may be created consisting of members of one or more SHGs. The members of JLG will continue to remain members of the SHGs and continue to participate in the activities of SHGs as earlier.
2. There may be certain deserving Small Farmers (SF) / Marginal Farmers (MF) /Tenant Farmers / Oral Lessees / Share Croppers / Micro Entrepreneurs /Artisans who have not yet been covered by SHGs. The JLGs formed of such members may also be considered for financing.
3. JLGs may also be sponsored by Government Departments like Agriculture, Village and Cottage industries etc.
4. JLGs under BDC/BF Arrangement: JLGs sponsored by NGOs under Business Development Correspondent / Business Facilitator arrangement can also be considered for financing. However in such cases, JLGs sponsored by “A” rated NGOs/SHPIs only may be considered for extending credit to JLGs BDC/BF arrangement:</td></tr>
</table>

Sl.	Particulars	Guidelines
		Service charges @ 2% to 4% of the loan disbursed / recovery made may be paid depending upon the type and quality of services extended by the BDC/BF.

Poultry Advance

<table>
<tr><th>S.No</th><th>Particulars</th><th>Guidelines</th></tr>
<tr><td>1</td><td>Target Group & Eligibility</td><td>Individual farmers [including Self Help Groups (SHGs) and Joint Liability Groups (JLGs)], Corporates including Farmer producer companies of individual farmers, Partnership firms and Co-operatives of farmersdirectly engaged in Agriculture and Allied activities.</td></tr>
<tr><td>2</td><td>Types of facilities available</td><td>Term Loan
Cash Credit</td></tr>
<tr><td>3</td><td>Purpose</td><td>• Term Loan: For setting up of Broiler/ Layer/ Breeder farm, hatchery Units.
• Cash Credit: To meet working capital requirements under KCC Animal Husbandry model.</td></tr>
<tr><td>4</td><td>Quantum of finance / Assessment</td><td><u>Term Loan:</u>
Based on Unit cost fixed by NABARD / Individual project cost.

<u>Cash Credit:</u>
Limit to be arrived based on Scale of Finance fixed by DLTC.

<u>MUDRA:</u>
Term loan or Working capital up to maximum limit of Rs.10.00 lakhs.</td></tr>
<tr><td>5</td><td>Margin Norms</td><td>➢ For Limit up to Rs.1.60 Lakhs – NIL
➢ Limit above Rs.1.60 Lakhs – 15% to 25% of project cost.
➢ Under MUDRA:Sishu – Nil, Kishore – 10%, Tarun - 15%</td></tr>
<tr><td>6</td><td>Repayment Period</td><td><u>Term Loan:</u> Maximum 96 months including gestation period of 12 months.
1. Layer farm: Monthly or Quarterly Installments after initial holiday period.
2. Broiler farm: Monthly (Relay cycle system) / Quarterly installments (All in all out system) after initial holiday period.
3. Breeder/ Hatchery farm: Monthly installments after initial holiday period.

<u>Cash Credit:</u>
Limit will be in the nature of Revolving Cash Credit limit.The entire cash generated to be routed through Cash Credit account only.</td></tr>
<tr><td>7</td><td>Processing & other charges</td><td>As per Service charges circular</td></tr>
<tr><td>8</td><td>Rate of Interest</td><td>1. Up to Rs 3.00 lacs: 1 Yr MCLR + 2.50%
2. Above Rs.3.00 lacs & Up to Rs.10.00 lacs: 1 Yr MCLR + 2.75%
3. Above 10.00 Lacs below Rs. 100.00 lacs: 1 Yr MCLR + 3.00%
Rs. 100.00 lakhs & Above - Linked to Internal (RAM) Rating of borrowers as below</td></tr>
<tr><td>9</td><td>Security Norms</td><td>Primary: Hypothecation of assets created out of loan.
Collateral:<table><tr><td>Limit up to Rs.1.60 Lakhs and wherever Tie up arrangements available for limits up to Rs.3.00 Lakhs</td><td>NIL</td></tr><tr><td>Limits above Rs.1.60 lakhs and for Tie up loans above Rs.3.00 Lakhs</td><td>Collateral security in the form of EMof immovable properties,FD, NSC, LIC Policies, plus third</td></tr></table></td></tr>
</table>

S.No	Particulars	Guidelines
		party guarantee wherever necessary For limit up to Rs.10.00 lakhs covered under MUDRA: • Assets created out of loan • Mandatory coverage under CGFMU. • No Collateral Security or Third Party Guarantee.
10	Documentation	As per Documentation manual
11	Other details	➢ Insurance to be taken for assets created out of the loan / assets held as security as per guidelines from time to time. ➢ Units should be inspected atleast once in a quarter and condition of the working of the unit should be recorded ➢ All guidelines from time to time / Credit Policy to be complied with.

Tractor/ other Farm Mechanization Financing Scheme for Agriculturists based on Land Holding

S.No	Particulars	Guidelines
1	Eligibility (Land Holding)	**For Tractors/ Combine Harvester** o Minimum **4 acres** of irrigated land or minimum **8 acres** of un- irrigated land (dry land). **For Power Tiller/ Transplanter/ Thresher** **Loans up to Rs 2.00 lakh** o Minimum **2 acres** of irrigated land or minimum **4 acres** of un- irrigated land (dry land). **Loans above Rs 2.00 lakh** o Minimum **4 acres** of irrigated land or minimum **8 acres** of un- irrigated land (dry land) o Land holding in the name of family members (blood relatives) and are executing documents as co-borrowers may also be considered. o Groups of beneficiaries whose land holdings aggregate to the minimum land holding and situated in a compact block may also be considered for Tractor loan with prior approval of ZO. o
2	Purpose of loan	Purchase of new tractor with minimum 3 implements* including trailer and/ or other farm machineries (combine harvester/ power tillers/ transplanters/ threshers/ etc). The machineries/ implements should be primarily utilized for **agriculture purposes**. *However, the condition of purchase of minimum 3 implements may be waived in case of pre-availability of such implements in working condition with the borrowers.
3	Margin	o Loans upto Rs 160000/- -NIL. o If the total cost of Tractor and power tiller exceeds Rs.1.60 Lakhs Margin 20%.
4	Loan Amount	For Tractor/ Power Tiller- Rs 10.00 lakh (max) For other Farm Machineries- Rs 100.00 lakh (max)
5	Repayment period	**Loan up to Rs 2.00 lacs** Max - 3 years including maximum moratorium of 6 months. **Loan above Rs 2.00 lacs** Max - 7 years including maximum moratorium of 6 months

S.No	Particulars	Guidelines
		Repayment in half-yearly instalments. Interest to be served as & when charged
6	Assessment of Loan Limit	Appraisal should be done based on average number of hours for on-farm activities in a year and custom hiring purpose. Minimum usage of 1000 hours per year of the tractor should be ensured. Out of which, minimum 500 hours per year should be utilised for own-farm activities **Average DSCR should be at least 1.50:1** **Minimum DSCR – 1.25:1**
7	Security	**Primary** Hypothecation of assets created out of Bank finance (i.e. Agreement of Hypothecation). Tractor/ machineries (wherever applicable) should be registered in the name of the borrowers with the RTO and Charge of the Bank by way of hypothecation to be recorded with RTO. **Collateral Security** For loans up to Rs 1.60 lacs*- NIL For loans above Rs 1.60 lacs Loan should be secured by 100% collateral as detailed under – 1. Pledge of Liquid Security in the form of our Bank deposits/ NSC/ KVP/ LIC/ SGB. And/ Or 2. Pledge of Gold ornaments (LTV- Max 85% to be considered) And/ Or 3. Equitable/ Registered Mortgage of property. **Agriculture property may be considered as collateral.** 4. Personal guarantee of the holders/ owners of the above collaterals (other than borrower/ co-borrower) to be obtained. *Collateral waiver condition for loans up to **Rs 1.60 lacs** shall be considered on the basis of **cumulative agriculture loans** (Limit in case of CC/OD and outstanding in case of TL/DL) availed by the customer as borrower/ co-borrower.
8	IRAC Norms	The product shall follow crop season related IRAC norms i.e. the accounts shall slip to NPA if an installment remains overdue for 2 crop seasons.
9	Guidelines on financing of pre used tractors only (not applicable for other farm machineries)	Second hand tractors/ farm implement whose age is not more than **2 years. The proposed seller should be the first owner of the tractor**. **Valuation of Tractor**– Tractor condition and its value should be certified by surveyors/ valuers approved by banks/ insurance companies OR Agreed Price, whichever is lower. **Margin: 30% (minimum)** **Loan Tenure** – 5 years (max) – Half yearly instalments. Loan tenure should be stipulated in such a way so that the residual economic life of the tractor/ farm implement should be at least 2 years more than the loan tenure. **Maximum Loan amount - Rs 5.00 lakh**
10	Other Terms & Conditions	• Disbursement should be made directly to the dealer/ seller (in case of pre-used tractors) and suitable stamped acknowledgment should be obtained & kept in record. • Tractor/ machineries (wherever applicable) should be registered in the name of the borrower with concerned RTO & charge of the Bank by way of hypothecation to be recorded with RTO. • Comprehensive insurance cover should be made in the name of the borrower and kept in force during the currency of the loan. Policy should be assigned in Bank's favour & the assignment registered with the insurance company. • Copy of the RC/ Insurance, photograph of the tractor/ farm machinery along with the borrower/s clearly displaying the Registration No. of the vehicle shall be obtained and held in file for future reference/ verification by Bank officials. • Hypothecation of the tractor/ machinery to the Bank should be prominently painted/ displayed on it.

S.No	Particulars	Guidelines
		• Borrowers for all loan accounts should be visited by the branch officials within 7 days from the date of disbursement and end use verification of funds through asset creation to be verified and recorded

Tractor/ other Farm Mechanization Financing Scheme for Custom Hiring Purpose

S.No	Particulars	Guidelines
1	Eligibility	**<u>Loans up to Rs 10.00 lakh</u>** Individuals (1st applicant) having minimum Net Worth of Rs 5.00 lakh. The tractor/ farm machinery should be in the name of the 1st applicant. **<u>Loans above Rs 10.00 lakh</u>** o Individuals (1st applicant) having minimum Net Worth of Rs 10.00 lakh. The tractor/ farm machinery should be in the name of the 1st applicant. o Co-applicants/ guarantors may also be considered to satisfy the collateral requirements.
2	Purpose of loan	Purchase of new tractor with minimum 3 implements***** including trailer and/ or other farm machineries (combine harvester/ power tillers/ transplanters/ threshers/ etc). The machineries/ implements should be primarily utilized for **agriculture purposes**. *****However, the condition of purchase of minimum 3 implements may be waived in case of pre-availability of such implements in working condition with the borrowers.
3	Margin	o Loans upto Rs 160000/- -NIL. o Above Rs.160000/- up to Rs. 15 lakhs – 30% (min) o Above Rs. 15 lakhs - 25% (min)
4	Loan Amount	For Tractor/ Power Tiller- Rs 10.00 lakh (max) For other Farm Machineries- Rs 100.00 lakh (max)
5	Repayment period	**Loan up to Rs 10.00 lacs** Max - 5 years including maximum moratorium of 3 months. **Loan above Rs 10.00 lacs** Max - 7 years including maximum moratorium of 6 months Repayment in monthly/ quarterly instalments. Interest to be served as & when charged
6	Assessment of Loan Limit	Appraisal should be done based on average number of hours of Custom Hiring undertaken by the tractors or other farm machineries in a year and earning thereof from custom hiring activity after deducting the operations cost, maintenance, etc. This data may be built up by the branches based on the average custom hiring earnings by the tractors already financed by the branch/ nearby branches in the past. Minimum usage of **1000 hours per year** of the tractor should be ensured **Average DSCR should be at least 1.50:1** **Minimum DSCR – 1.25:1**
7	Security	**<u>Primary</u>** Hypothecation of assets created out of Bank finance (i.e. Agreement of Hypothecation). **<u>Collateral Security</u>** **For loans up to Rs 1.60 lacs*- NIL**

S.No	Particulars	Guidelines
		The Sanctioning Authority should mandatorily obtain CGFMU coverage. No Third Party Guarantee to be insisted upon. **For loans above Rs 1.60 lacs** **<u>With Collateral</u>** Loan should be secured by 100% collateral as detailed under – 1. Pledge of Liquid Security in the form of our Bank deposits/ NSC/ KVP/ LIC/ SGB. And/ Or 2. Pledge of Gold ornaments (LTV- 85% to be considered) And/ Or 3. Equitable/ Registered Mortgage of **non - agriculture property (SARFAESI Compliant). Agriculture property shall not be considered as collateral.** 4. Personal guarantee of the holders/ owners of the above collaterals (other than borrower/ co-borrower) to be obtained. **<u>With Out Collateral (Loans up to Rs 10.00 lacs)</u>** **CGFMU coverage** may be obtained. However, collateral and/ or third party guarantee should not be insisted upon in case of CGFMU Coverage. For loans above Rs 1.60 lacs & up to Rs 10.00 lacs, obtaining collateral security or CGFMU coverage shall be at the discretion of the Sanctioning Authority on case to case basis. *Collateral waiver condition for loans up to Rs 1.60 lacs shall be considered on the basis of cumulative agriculture loans (Limit in case of CC/OD and outstanding in case of TL/DL) availed by the customer as borrower/ co-borrower.
8	IRAC Norms	The product shall follow crop season related IRAC norms i.e. the accounts shall slip to NPA if an installment remains overdue for 2 crop seasons.
9	Guidelines on financing of pre used tractors only (not applicable for other farm machineries)	Second hand tractors/ farm implement whose age is not more than **2 years. The proposed seller should be the first owner of the tractor**. **Valuation of Tractor**– Tractor condition and its value should be certified by surveyors/ valuers approved by banks/ insurance companies OR Agreed Price, whichever is lower. **Margin: 30% (minimum)** **Loan Tenure** – 5 years (max) – monthly/ quarterly instalments. Loan tenure should be stipulated in such a way so that the residual economic life of the tractor/ farm implement should be at least 2 years more than the loan tenure. **Maximum Loan amount - Rs 5.00 lakh**
10	Other Terms & Conditions	Similar to Tractor/ other Farm Mechanization Financing Scheme for Agriculturists discussed above

IND KRISHI VAHAN

A new product “IND KRISHI VAAHAN” is being introduced on a pilot basis in 7 States (Uttar Pradesh, Maharashtra, Andhra Pradesh, Tamil Nadu, Telangana, Karnataka & Haryana) for the individuals and farmers engaged in Custom Hiring activities.

The salient features of the “IND KRISHI VAAHAN” product are:

- ✓ Purpose: The Machineries/ implements should be primarily utilized for activities allied to agriculture and supporting services like custom hiring.
- ✓ Target Groups: All individuals and farmers.
- ✓ Maximum Tenor: Maximum 60 months (1month Holiday period)
- ✓ Security: Tractor & Other implements as primary and CGFMU coverage as collateral.
- ✓ Maximum quantum of loan: Rs.10.00 lakhs.
- ✓ Margin: 20%-30% based on CIBIL & land holdings.
- ✓ Eligibility: based on Cash flow and DSCR.

- ✓ ROI :12.00% fixed.
- ✓ Dealers Pay-out: Maximum of 1.50%
- ✓ Incentive to Sales executive: Rs.1000 per Tractor
- ✓ MOU with
  1. Mahindra & Mahindra
  2. SWARAJ Motors
  3. TAFE Tractors
  4. TMTL Tractors (Eicher)

S.No	Particulars	Guidelines
1	Objective	To provide financial assistance for purchase of Tractors- Under Custom hiring - Agri Support Services.
2	Age Criteria	Borrower's age should not be less than 18 years & should not exceed 55 years at the time of agreement, in case borrower's age exceeds 55 yrs, family members (blood relation and/or legal heir) who satisfy the above criteria need to sign the agreement as co- borrower
3	Residence stability	Local resident for a period of at least 5 years in command area of branch (residential stability should be confirmed by documentary evidence issued by GOI).
4	Nature of facility	Term Loan
5	Eligibility	✓ A minimum of 1000 hours of productive work in agriculture per year on custom hiring. ✓ Individuals (1st applicant) having minimum Net Worth of Rs. 5.00 lacs. ✓ The tractor/ farm machinery should be in the name of the 1st applicant. ✓ CIBIL score should be >= 700 only
6	Purpose	Purchase of new tractors with minimum 3 implements* The machineries/ implements should be primarily utilized for activities allied to Agriculture like Pisciculture, Beekeeping, Poultry, Livestock Rearing, Grading, Sorting, Aggregation agro Industries, Dairy, Fisheries, Agri Clinics and Agri Business Centres, Food and Agro Processing, etc. (excluding crop cultivation, land improvement such as canals, irrigation, wells) and Services supporting Custom Hiring. *However, the condition of purchase of minimum 3 implements be waived in case of pre-availability of such implements in working condition with the borrowers with due undertaking
7	CIBIL Criteria	• CIBIL score >=700 are eligible (CIBIL score of 0, -1 & < 700 are not eligible) • If CIBIL report reflects any irregularity/overdue, a regularized statement of account to be obtained. • If there is a misrepresentation in CIBIL, for Customer having other strengths - separate deviation approval to be obtained on case to case basis from ZLCC with due justification on the basis of criticality of default.
8	Loan amount	Maximum of Rs. 10.00 lakh/unit.
9	Margin & LTV	**CIBIL >= 700** - 30% **CIBIL >750** - 25% **CIBIL score >= 700 & Farmers with 2 ac of Wet land /4 ac of Dry land** - 25% **CIBIL >750 and Farmers with 2 ac of Wet land /4 ac of Dry land** - 20% The LTV is calculated on the price quoted by OEM in their quotation/Invoice or Market value whichever is lower
10	Repayment period & Frequency	Max - 60 months, Frequency- Monthly

S.No	Particulars	Guidelines
11	Moratorium	1 month
12	Security	**Primary** Hypothecation of Tractor + other implements created out of Bank finance. **Collateral Security** CGFMU coverage is mandatory and No Third Party Guarantee to be insisted upon
13	CGFMU	Guarantee Fee (first time fee and annual fee) will be debited to the loan account by Corporate Office centrally. Branches should verify & ensure that Guarantee Fee is debited in the loan account and recover the same from the borrower and credit to loan account. **GUARANTEE FEE STRUCTURE** • Standard Base Rate (SBR) of 1% of sanctioned amount plus Risk premium based on NPA level in the portfolio and claim pay-out ratio.(In line with NCGTC)
14	Processing charge	Rs.2500/Unit
15	Tractor HP	No restriction on Tractor HP range
16	Viability of Proposal	Based on the tractor's usage. A Cash Flow (CF) calculation sheet is to be prepared and satisfied upon.
17	Assessment of loan limit	• Appraisal should be done based on Income generated through allied to Agriculture and Service Supporting activities like Custom hiring. • Minimum usage of 1000 hours per year of the tractor should be ensured for Custom hiring purpose. • Viability to be assessed based on Cash flow and DSCR. • Minimum DSCR of 1.25 & Average of 1.50 shall be ensured. As per credit policy 2022-23, for TL limits less than 20.00 lakhs, CMA data/ Audited balance sheet should not be insisted upon. (Self-certified DSCR/ Cash flow certificates may be obtained.)
18	IRAC Norms	As per 90 days delinquency norms
19	Mode of payment of Pay Out to Tractor OEM Dealers and Sales Executives	For payment of Pay-out to OEM dealers a separate BGL is being created and ZO is empowered to approve dealers' pay out on monthly basis after confirming obtention of RC with Bank clause. For payment of incentives to sales executives separate BGL is being created and BM is authorised to pay the incentives to sales executives as soon as loan is disbursed

Financing to Cold Storages

S.No	Particulars	Guidelines
1	Target Group & Eligibility	Individuals, group of individuals, association of persons, Co-operatives, firms, companies etc., having necessary skills, capacity and aptitude to undertake the activity.
2	Economic size of unit & land requirement	➢ Cold storage units can be used to store either a single commodity or multiple commodities. ➢ Depending upon the entrepreneur's financial health; it can be planned to store the produce entirely owned by him or on rental basis or in combination of the two. ➢ NABARD usually encourages cold storages where 70% of the capacity is available to farmers for storage on rentals. Financial viability of a unit depends upon the intended pattern of use and rental rate prevalent in an area. However, units entirely to be used by the owners are also considered for sanction. Considering 70:30 utilization of the capacity for rentals and own use, a 5000 MT capacity unit is considered as viable.

S.No	Particulars	Guidelines
		➢ No minimum capacity stipulations for projects of Governments/ Government owned corporations (As per NABARD operational guidelines).
3	Types of facilities available	Term Loan Open Cash Credit Over draft
4	Purpose	**Term Loan**: Construction & maintenance of cold storage units. Cash Credit Facility/: To meet the working capital requirements of cold storage units for onward lending to the farmers who have stored their agriculture commodities with them (provided 100% collateral security is available) and for agriculture commodities belonging to cold storage owner. **Over Draft Facility**: Running & maintenance of cold storage units: • Payment of cold storage electricity charges. • Running & maintenance charges of gensets required as standby arrangement. • Payment of labour charges/ salaries of staff, repairs, etc.
5	Quantum of finance / Assessment	**Term Loan:** Based on Project cost. **Working Capital:**Cash budget method to assess the working capital irrespective of limits. However, under the on lending, the loan amount per farmershould not exceed Rs.3.00 lakhs or 70% of value ofproduce stored whichever is lower. The loan to besanctioned to an existing KCC holder or potatogrowers/potato seed growers may be disbursed by creditingto their respective accounts.
6	Margin Norms	Term Loan : 25% (Minimum) Working Capital (OD):30%(Min) However, in case of loans under Govt. sponsored scheme, margin norms to be adopted as per scheme guidelines.
7	Repayment Period	**Term Loan:** Up to 9 Years including maximum holiday period of 2 Yrs. **Cash Credit:** To be Renewed Annually / Reviewed Half yearly. Wherever limit is arrived based on cash budget method, seasonal sub limits may be fixed based on the season and commodity. **Overdraft**:To be Renewed Annually / Reviewed Half yearly.
8	Processing & other charges	As per Service charges circular
9	Rate of Interest	As per Rate of Interest Circular
10	Security Norms	• Hypothecation of assets created out of Bank Finance. • Mortgage of land & building of the Cold Storage. • Hypothecation of assets created out of Bank Finance (Stock of Cold Storage Owner). • Assignment of receivables/ book debt arising out of advances to farmers for storage of agricultural commodities. • Wherever, WC limit is sanctioned for the purpose of on-lending to farmers, collateral security value equivalent to 100% loan amount to be obtained. • Collateral security in the form of FD, NSC, LIC Policies, Equitable Mortgage of immovable properties as per credit rating of borrower. • Minimum Security Coverage Ratio of 1.20 should be maintained at all times.

S.No	Particulars	Guidelines
		• Guarantee: Personal guarantee of partners/directors.
11	Documentation	As per Documentation manual
12	Other details	➢ Insurance to be taken for assets created out of the loan / assets held as security as per guidelines from time to time. ➢ Units should be inspected atleast once in a quarter and condition of the working of the unit should be recorded ➢ All guidelines from time to time / Credit Policy to be complied with

Financing "Construction of storage structure projects namely Godowns, Dry warehouses, Cold storages, Cold chains, silos and Market yards designed and used to store agriculture produce/products"

Agricultural marketing infrastructure enables effective management of marketable surplus of agriculture, horticulture and all allied sectors like dairy, poultry, fishery, livestock and minor forest produce to enhance farmers' income.

Agricultural marketing infrastructures enable wide range of financing opportunities as Functional Infrastructure – Collection / assembling, drying, cleaning, grading, labeling, packaging and Storage facility includes Warehouse and cold storages etc,.

Common Facilities in the Market Yard/ Aggregate structures by FPOs – Shops / offices, platform for loading /unloading / assembling and Facilities for auctioning / Tender of produce, parking sheds, Storage, godowns, cleaning, sorting and grading facilities, internal roads, etc.

Infrastructure for Direct Marketing of Agricultural commodities like Rural Primary markets, Regulated markets, Wholesale markets, etc. Infrastructure for supply of production Inputs and need based services to the farmers – farm stage market information infrastructure to provide inputs such as communication about seeds, fertilizers, crop-rotation, etc.

Infrastructure facilities for Cold Chain financing - Value Addition and Preservation Infrastructure are required to provide integrated cold chain and preservation infrastructure facilities, without any break, from the farm gate to the consumer.

Agricultural Marketing Infrastructure projects are incentivised through various Central and State Government schemes. Some of the major schemes are detailed for reference:

Capital Investment Subsidy Scheme for Construction / Expansion / Modernization of Cold Storage and Storage for Horticulture Products: National Horticulture Board (NHB) had introduced a capital investment subsidy scheme for construction of cold storage for storing of horticultural crops.

New Agriculture Marketing Infrastructure: New Agriculture Marketing Infrastructure (AMI) implemented through NABARD is a sub scheme of Integrated Scheme of Agriculture Marketing (ISAM). The AMI scheme envisages Back ended capital subsidy for Credit Linked investment in eligible storage and marketing infrastructure projects

S.No	Particulars	Guidelines
1	Purpose	Term Loan & Working capital facilities may be considered for any/ all the activities as following: • For creation of scientific storage capacity viz. godowns, dry warehouses, cold storage, cold chains, silos market yards. • The above facilities may be considered for financing towards construction of new projects.

S.No	Particulars	Guidelines
		However the structures should be designed and used to store agriculture produce/products and the scheme does not include takeover of incomplete/ partially completed proposals
2	Eligibility	✓ Activities which are in the nature of either storage or other marketing infrastructure up to primary processing only. ✓ Primary processing relates to value addition to a raw agricultural produce which, after processing, does not result in change of product form. ✓ Primary processing for which subsidy under AMI is available are cleaning, cutting, depodding, de-cortication, bleaching, grading, sorting, packing, labeling, waxing, ripening, chilling, pasteurization, homogenization, freezing, refrigeration and other value addition activities etc. ✓ Creation of common facilities in market yards such as platforms for auctioning of the produce, loading, unloading, assembling, drying, cleaning, grading, weighing, mechanical handling equipment etc. ✓ Stand- alone ancillary/supporting infrastructure project are not to be financed under this scheme. ✓ Functional infrastructure for collection/assembling, drying, cleaning, grading, standardization, sanitary & phyto-sanitary measures and quality certification, labelling, packaging, ripening chambers, waxing, value addition facilities (without changing the product form) etc. ✓ For functional infrastructure projects (other than storage projects), where plant and machinery (P&M) is to be installed in civil structure, the cost of P & M should be more than 25% of the Total Financial Outlay (TFO) of the project. If it is less than 25%, subsidy will be restricted accordingly. ✓ Infrastructure for direct marketing of agricultural commodities from producers to consumers/processing units/bulk buyers etc ✓ Infrastructure for development / upgradation of Rural Haats / RPMs as Grameen Agricultural Market Mobile infrastructure for post-harvest operations viz. Grading, packaging, quality testing etc. including reefer vans, or any other refrigerated vans will be permissible for assistance. ✓ However, transport vehicles such as trucks; vans etc. will not be permissible for assistance. ✓ Storage infrastructure like godowns including stand- alone silos for storage of food grains with necessary ancillary facilities which are functionally required to operate the project. ✓ Integrated value chain projects confined up to stage of primary processing only
3	Types of facilities available	Term Loan Open Cash Credit Over draft
4	Amount of loan	Need based finance will be extended to the party depending upon the size of the godown to be constructed. Quantum of finance shall depend upon borrowers own contribution / capacity / cash flow / projected DSCR. Maximum Amount of Loan –Rs.100.00 Cr
5	Disbursement	The disbursement of the loan to be made in multiple tranches based on the requirement of the projects and progress of the work to be duly certified by panel engineer (or) Chartered accountant. Payment should be made directly to the seller/ supplier
6	Margin Norms	25% of the cost of the project (excluding cost of land).
7	Repayment Period	Term Loan: Up to 9 Years including maximum holiday period of 2 Yrs. Cash Credit: To be Renewed Annually / Reviewed Half yearly.

S.No	Particulars	Guidelines
		Wherever limit is arrived based on cash budget method, seasonal sub limits may be fixed based on the season and commodity. Overdraft: To be Renewed Annually / Reviewed Half yearly.
8	Processing & other charges	As per Service charges circular
9	Rate of Interest	As per Rate of Interest Circular
10	Security Norms	• Hypothecation of structure/ equipment/ machinery purchased or created out of bank finance Mortgage of Fixed assets like project land and building /shed. Personal guarantee of Proprietor/Partners / Promoters / Directors/ owner of the property offered as security. • Equitable mortgage of land & building/godowns constructed out of bank's finance. Registered mortgage of the property can be considered in special cases as per extant guidelines (Manual of Conventional Advances, Chapter 12 Advance against immovable properties). • (a) Godown should be of such construction, able to secure the stocks pledged and stored therein. b) Own Godown/ premises: Property records to be verified. c) Lease Godown: Documents relating to the ownership of the lessor and lease agreement to be obtained and ensured that there is no encumbrance on the property. • Zone/ Branch to ensure that the godowns/cold storage to be mortgaged shall not be an Agricultural land/property so as to enforce the same under SARFAESI Act. All permits/permissions/approvals required to be obtained from competent authorities for construction of cold storage/godowns shall be obtained. The borrower should obtain a license to operate the godown, if so required by the concerned State Government, under the State Warehousing Act or any other relevant laws. • Minimum Security Coverage Ratio of 1.20 should be maintained at all times. • Guarantee: Personal guarantee of partners/directors. "If Above activities financed under leased possession (Primary security), the guidelines enumerated in (Manual of Conventional Advances, Chapter 12 Advance against immovable properties for leased premises) should be complied with and the Zone/Branch shall be ensuring that: • If the other existing loans of the party are already secured by mortgage, collateral of the other properties may be obtained to the Produce loan/s. The residual value of the security after meeting existing exposure shall cover the Produce loan proposed. • Pledge of stock covered under the Warehouse Receipts should be with the Bank's lien & Pledge of stock under the lock & key of the Bank. Pledge of the agricultural goods by way of deposit of original Storage Receipts, evidencing the stock of specified produce, issued by the empanelled Collateral Manager. • Registration of charge with ROC/CERSAI within stipulated period wherever applicable • Time limit for completion of the project from the date of disbursal of first installment of loan be provided.
11	Documentation	D68, guarantee – D 57, (where required) wherever applicable- No Due Certificate – F 127 (from PACS/PLDB). F-137, D-96, D-107, Mortgage of land and buildings (godowns/market yards) and hypothecation of plant, machinery and vehicle. & FormsChapters on advances against immovable properties and advance against goods and mortgage in the Manual on Conventional Advances may also be referred Immovable's: **Registered Mortgage:** D-67 **Equitable Mortgage:** D-32 / D-33, / D-34, / D34A, D-65 (in states where Model bill has been passed and creation of charge as per state act) D-66 (if original title deeds are not available) & Forms F 172, F 178 and F 189.

S.No	Particulars	Guidelines
12	Deviations	a) The units may be financed in different states of the country, which may necessitate any exemption/ deviation/ modification due to local laws of a particular state, the authority for permitting such exemptions/deviations shall vest with the respective Sanctioning Authority. b) Any deviation/exemption from the norms/benchmark levels mentioned in the policy as well as modification in different parameters as referred in the policy shall be permitted in genuine cases on merits of the case and on account of various business compulsions. The authority for permitting such exemptions/deviations shall vest with the respective Sanctioning Authority.
12	Other details	➢ Technical feasibility of the project will be verified by the Branch before any sanction/ recommendation. ➢ Branch to process and decide on the loan applications strictly on• merit and in compliance with the laid down norms under Agriculture and repayment capacity of the Borrower. ➢ Branch needs to monitor the borrower account and maintain records of periodical monitoring and actions initiated on observations, if any. ➢ The branch shall ensure proper business linkages for maximum utilization of the financed structure. ➢ The branch shall undertake regular desk and /or field monitoring of the, borrowing units and report should be kept on Banks record. ➢ The repayment will be linked according to the cash flow proposed by the borrower. ➢ Bank reserves the right to inspect the project as and when required. ➢ Branches should ensure that all standard of construction is made as per WDRA guidelines. ➢ In case of Subsidy/ Grant/ Interest subvention received from Central/ State Govt agencies respective scheme guidelines to be adhered and complied. ➢ Board resolution indicating the borrowing powers of the agency/company, authority to borrow, authorized signatory list with specimen signatures and a certificate confirming that the current borrowing is within the overall borrowing limit of the agency/company, (in case borrower is a company). ➢ Where the borrower's place of residence/ business / office or factory does not fall within the same city/ town/ area of operations of the branch, sanction of facility may be considered with the concurrence of next higher authority upto ZLSCC sanctions. ➢ Total credit facilities permitted to a single borrower or a group of borrowers should not exceed the Bank's Internal Prudential Exposure Limits. ➢ All prescribed guidelines relating to application forms, assessment, documentation & monitoring shall be followed ➢ All guidelines from time to time / Credit Policy to be complied with

Allied Agri (Dairy)

S.No	Particulars	Guidelines
1	Target Group & Eligibility	Individual farmers [including Self Help Groups (SHGs) and Joint Liability Groups (JLGs)], Corporates including Farmer producer companies of individual farmers, Partnership firms and Co-operatives of farmersdirectly engaged in Agriculture and Allied activities.
2	Types of facilities available	Term Loan Cash Credit
3	Purpose	• **Term Loan:** For setting up of Dairy unit (Purchase of high yielding Milch Animals, Construction of Shed, Purchase of Equipments, Cultivation of Green Fodder, Initial Concentrate feed during first month of lactation).

S.No	Particulars	Guidelines
		• **Cash Credit:**To meet short term working capital requirements (Feed, labour, Veterinary aid etc) under KCC Animal Husbandry model.
4	Quantum of finance / Assessment	Term Loan: Based on Unit cost fixed by NABARD / individual project cost. Cash Credit: Limit to be arrived based on Scale of Finance fixed by DLTC. MUDRA: Term loan or Working capital up to maximum of Rs.10.00 lakhs.
5	Margin Norms	➢ For Limit up to Rs.1.60 Lakhs – NIL ➢ Limit above Rs.1.60 Lakhs – 15% to 25% of project cost. ➢ Under MUDRA:Sishu – Nil, Kishore – 10%, Tarun - 15%
6	Repayment Period	Term Loan: ➢ Maximum 72 months including gestation period of 1 month. ➢ Wherever construction of shed is involved, maximum holiday period can be 12 months. ➢ Loan amount repayable in Monthly / Quarterly installments. ➢ Repayments will be as per cash flow/ income generation pattern of the activity undertaken by the borrower. Cash Credit: The Loan will be in the nature of Revolving Cash Credit limit. The entire cash generated to be routed through Cash Credit account only.
7	Processing & other charges	As per Service charges circular
8	Rate of Interest	Upto Rs 3.00 lacs: 1 Yr MCLR + 2.50% Above Rs.3.00 lacs & upto Rs.10.00 lacs: 1 Yr MCLR + 2.75% Above 10.00 Lacs below Rs. 100.00 lacs: 1 Yr MCLR + 3.00% Rs. 100.00 lakhs & Above - Linked to Internal (RAM) Rating of borrowers
9	Security Norms	**Primary**: Hypothecation of assets created out of loan. **Collateral**: Limit up to Rs.1.60 Lakhs and wherever Tie up arrangements available for limits up to Rs.3.00 Lakhs — NIL Limits above Rs.1.60 lakhs and for Tie up loans above Rs.3.00 Lakhs — Collateral security in the form of EMof immovable properties,FD, NSC, LIC Policies, plus third party guarantee wherever necessary For limit up to Rs.10.00 lakhs covered under MUDRA: • Assets created out of loan • Mandatory coverage under CGFMU. • No Collateral Security or Third Party Guarantee.
10	Documentation	As per Documentation manual
11	Other details	➢ Separate Tie up products with Heritage & Milky Mist is also available. ➢ Insurance to be taken for assets created out of the loan / assets held as security as per guidelines from time to time. ➢ Units should be inspected atleast once in a quarter and condition of the working of the unit should be recorded ➢ All guidelines from time to time / Credit Policy to be complied with.

Heritage Dairy (Under Tie-up with M/s Heritage Foods Limited)

SI.	Particulars	Guidelines

1	**Target Group & Eligibility**	✓ Purchase of high yielding Milch animals COWS/ Buffalos 1+1/2+2/ for setting up Mini dairy units. ✓ Individuals- Farmer ✓ Farmers to be within 20 km radius of branch.
2	**Quantum of Loan**	Indicative unit costs given by NABARD to be followed (or) cost of animal with prevailing market conditions locally can also be considered
3	**Disbursement**	✓ By way of Demand draft/ Banker Cheque / Account transfer to the seller's account after collecting the required margin and consent letter from the borrower. Cash Payment is not permitted. ✓ Since the amount shall be transferred to the sellers account, stamped receipt need not be insisted. ✓ Under dairy loan, animals should be purchased in batches by giving a gap of 4-6 months between the batches. For example if the loan is sanctioned for two animals, one animal should be purchased at the first instance and the remaining one purchased after 4-6 months to ensure continuous supply of milk flow from the unit. Loan amount for the second batch can be allowed after ascertaining the performance of the borrower with first batch of animals. ✓ However if the borrower already possesses Milch animals and continuous milk supply is ensured then disbursement can be made in single instance.
4	**Margin Norms**	✓ For Limit up to Rs.1.60 Lakhs – NIL ✓ Limit above Rs.1.60 Lakhs – 15% to 25% of project cost. ✓ **Under MUDRA:** Shishu – Nil, Kishore – 10%, Tarun - 15%
5	**Repayment Period**	58 Equated Monthly installments after initial holiday period of 2 months.
6	**Processing fee & other charges**	**Term Loan:** ✓ Upto Rs. 25000/- : NIL ✓ Above Rs. 25000 : 0.50% of the limit sanctioned **All other charges:** As per circular on service charges related to Agri advances issued from time to time.
7	**Rate of Interest**	✓ Upto Rs 3.00 lacs: 1 Yr MCLR + 2.50% ✓ Above Rs.3.00 lacs & upto Rs.10.00 lacs: 1 Yr MCLR + 2.75% ✓ Above 10.00 Lacs below Rs. 100.00 lacs: 1 Yr MCLR + 3.00%
8	**Security Norms**	**A. Primary:** o Hypothecation of Milch animals purchased out of the loan. o Animals to be tagged. o Veterinary certificate & health certificate to be obtained. o Borrowers to give irrevocable letter of authority, for authorizing company to pay the installments from the sale proceeds of the milk supplied to bank. o Suitable third party guarantee may be obtained. o Collateral security: For loans upto ₹ 1.60 Lakhs: NIL o For loans above ₹ 1.60 Lakhs: Immovable property by way of EM of property & other tangible/liquid securities (MMD/FD/LIC policy etc) belonging to the Borrower/Guarantor. Personal guarantee/s of Proprietor/Partners/Directors for all the cases to be ensured. **For limit up to Rs.10.00 lakhs covered under MUDRA:** o Assets created out of loan o Mandatory coverage under CGFMU. o No Collateral Security or Third Party Guarantee

9	Documentation	**Application:** ✓ From I: Application for Agricultural credit- Short term/ Term loan and ✓ Form -IV (2)–Purchase of Milch cattle and other livestock dully filled in (As per Rural Banking Manual). ✓ Copy of land records for the land/ house where the milch animals are going to be kept. ✓ Borrowers to give irrevocable letter of authority/ Tripartrate agreement ✓ Veterinary certificate & health certificate to be obtained All Other relevant documents as per Documentation manual
10	Other details	Comprehensive insurance of animals with bank clause is to be done and policy to be kept along with bank records. If Subsidy available from any of the government agencies, the same will be applicable as per terms and conditions as described in subsidy scheme. Branches should claim subsidy under DEDS scheme implemented by NABARD (through ENSURE portal).

Farmers Producer Companies (FPCs / FPOs)

S.No	Particulars	Guidelines
1	Target Group & Eligibility	New or existing FPC (Company of Farmer Producer members as defined in section IXA of the Indian Companies Act,1956 and incorporated with the Registrar of Companies (RoC)).
2	Types of facilities available	Term Loan, Cash Credit & Composite Loan
3	Purpose	**Term Loan:**For acquiring farm machinery, equipment's, refrigerated vehicles, transport vehicles and any other implements/machinery required for cultivation, production, processing and post-harvest processes etc. Construction of storage godown or any other structure utilised for the common use of the FPC for productive purpose. **Cash Credit:**To meet the crop cultivation expenses / procurement of farm produce of farmer members and working capital needs of FPCs in the value addition process of farm produces. **Composite Loan:** Combination of both term loan and working capital.
4	Quantum of finance / Assessment	**Term Loan:** 85% of the project cost may be financed subject to compliance of other lending norms / guidelines. **Cash Credit:** i. As per scale of finance for the cultivable area to meet the crop cultivation expenses of member farmers. ii. Turn Over method will be applicable for assessment of working capital limit as applicable to Small and Medium Enterprises (SME) loans, if Working Capital (WC) is requested for value addition/ processing. iii. Maximum loan quantum to the FPO/FPC (excluding term loan for creation of immovable assets) should not exceed 10 times of Net Owned Funds (NOF)/Tangible Net Worth (TNW) for the working capital beyond Rs 100.00 lakh. **Composite loans:** Combination of both term loan & working capital as described above.
5	Margin Norms	Term Loan : 15% of the project cost. Working capital: 15% of the assessed amount.
6	Maximum limit	Rs. 100.00 Lakhs.
7	Sanctioning Authority	Zonal Level Credit Committee (ZLCC)

S.No	Particulars	Guidelines
8	Repayment Period	Term Loan: To be repaid within a maximum period of 5 years, based on CASH FLOW / Income generation. Working capital :For working capital / running limit tenable for a period of 12 months, renewable every year.
9	Processing & other charges	As per Service charges circular
10	Rate of Interest	✓ Up to Rs. 100.00 lakhs: 1 Yr MCLR + 1.00% ✓ Above Rs. 100.00 lakhs - Linked to Internal Rating of borrower
11	Security Norms	**Primary Security:** Assets created out of the finance made by the bank. In case of working capital limit wherever finance is for crop cultivation, hypothecation of crop of all the farmer members of FPC, for which all the farmer members to authorize the Compnay to execute document on their behalf. **Collateral security:** No collateral security shall be obtained for limits upto Rs 100 lakh except in case, if the FPC creates collaterals from their operations, the same shall be offered as collateral security to the loans availed.
12	Documentation	As per Documentation manual
13	Other details	Credit Guarantee Cover: Maximum guarantee cover shall be restricted to the extent of 85% of the eligible sanctioned credit facility or to Rs 85.00 lakh, whichever is lower. Guarantee Fee: The fee payable to SFAC by the ELI for guarantee cover in respect of an eligible credit facility granted by it to an FPC borrower under the scheme is a onetime guarantee fee calculated @ 0.85% of the sanctioned credit limit, subject to a maximum of Rs 85,000/- (Rs Eighty five thousand) only. Annual Service Fee:In addition to onetime guarantee fee, an annual service fee of 0.25% of the sanctioned credit limit per annum Guarantee Fee and Annual Service Fee as applicable are to be borne by the borrowing Farmers Producer Company.Insurance to be taken for assets created out of the loan / assets held as security as per guidelines from time to time. Units should be inspected atleast once in a quarter and condition of the working of the unit should be recorded All guidelines from time to time / Loan Policy / Credit Risk Management Policy to be complied with.

Agri Clinic and Agri Business Centres

S.No	Particulars	Guidelines
1	Target Group & Eligibility	All Graduates in Agriculture and Allied subjects from Agricultural Universities (State / Central)/ Universities recognized by ICAR/ UGC. Diploma (with at least 50% marks)/Post Graduate Diploma holders in Agriculture and Allied subjects from State Agricultural Universities, State Agriculture and Allied Departments and State Department of Technical Education. Biological Science Graduates with Post Graduation in Agriculture &Allied subjects. Degree courses recognized by UGC having more than 60 percent of the course content in Agriculture and Allied subjects. Diploma/Post-graduate Diploma courses with more than 60 percent of course content in Agriculture and Allied subjects, after B.Sc. with Biological Sciences, from recognized colleges and universities. Agriculture related courses at Intermediate (i.e. plus two) level, with at least 55% marks.
2	Types of facilities	Term Loan

S.No	Particulars	Guidelines
3	Purpose	To create gainful self-employment opportunities to unemployed Agricultural graduates, Agricultural Diploma holders, intermediate in Agriculture and Biological science graduates with PG in Agri-related courses.
4	Quantum of finance / Assessment	Ceiling of project cost for subsidy is Rs.20.00 lakhs for an individual project (Rs.25.00 lakhs in case of extremely successful individual projects) and Rs.100 lakhs for a group project.
5	Margin Norms	• Upto Rs. 5.00 lakhs – No margin. • Above Rs. 5.00 lakhs - 15% of the project outlay.
6	Repayment Period	Repayment period will depend on the nature of activity and will vary between 5 to 10 years including a maximum moratorium period of 2 years (as per needs of individual project).
7	Processing & other charges	As per Service charges circular
8	Rate of Interest	Upto Rs 3.00 lacs: 1 Yr MCLR + 2.50% Above Rs.3.00 lacs & upto Rs.10.00 lacs: 1 Yr MCLR + 2.75% Above 10.00 Lacs below Rs. 100.00 lacs: 1 Yr MCLR + 3.00% Rs. 100.00 lakhs & Above - Linked to Internal (RAM) Rating of borrowers
9	Security Norms	➢ Limits upto Rs.5 lakhs - Assets created out of Bank loan. ➢ Limits above Rs.5.00 lakhs - Assets created out of Bank loan, Third Party Guarantee, Mortgage of properties covering atleast 100% of the loan amount.
9	Subsidy	Subsidy pattern has been revised from “capital and interest subsidy” to “Composite Subsidy” which will be back-ended in nature. It will be 44% of project cost for women, SC/ST & all categories of candidates from NE and Hill states and 36% of project cost for all others
10	Other details	➢ All other scheme guidelines issued by NABARD to be adhered to. ➢ All guidelines from time to time / Credit Policy to be complied with.

Star Agro Mills Scheme

S.No	Particulars	Guidelines
1	Target group	All new / existing Rice Mills, Dhal Mills, Oil Mills and Flour Mills.
2	Purpose	Acquisition of new machinery / factory building / modernization and Working capital needs
3	Eligibility	For New Units: Satisfactory promoters’ track record, group affiliation and viable project for new units. For Existing Units: Consistent Net profit making units for a minimum period of two years. Minimum entry level rating of BB +/- RAM rating / Scoring model is mandatory depending on the credit exposure and entry level rating as per Credit policy as below should be complied with. ➢ In case of accounts with credit exposure below Rs.50.00 lakhs, BBB rating as per scoring model. ➢ In case of accounts with credit exposure of Rs.50.00 Lakhs and above, Combined Rating BB as per RAM rating Takeover:Takeover of good units is also permitted subject to strict adherence to take over norms. It shall be ensured that the account is not a restructured / rescheduled one, none of the group accounts are NPA with other banks / FIs and due diligence has to be made to this effect. ➢ Proponent having existing Agro Mills on leased basis may also be considered for providing working capital. Lease deed should be registered and period of lease should not be less than three years.

<table>
<tr><th>S.No</th><th>Particulars</th><th>Guidelines</th></tr>
<tr><td></td><td></td><td>➢ No term loan should be allowed, in general, to existing Agro Mills running on leased basis. If any such unit requires Term Loan for purchase of machinery & equipment either for replacement purpose or increase in production the same be considered case to case basis on merit. In all such cases lease period (remaining) should be at least twice of the repayment period of Term loan.

➢ For any new unit in leased land where Term Loan is proposed, the lease period should not be less than ten years.</td></tr>
<tr><td>4</td><td>Types of facilities available</td><td>1. Term Loan
2. Working Capital
3. NFB limits</td></tr>
<tr><td>5</td><td>Quantum of finance / Assessment</td><td>Term loan: Based on Project cost

Working Capital: As per Credit Policy guidelines.
• Limits upto Rs. 5.00 Crs - Turnover method
• Limits above Rs. 5.00 Crs - MPBF II Method / Cash Budget Method.

NFB Facilities: Need based</td></tr>
<tr><td>6</td><td>Margin</td><td>Term Loan: 25% for new machinery and 30% for landed property and building

Working capital:
1. Stocks of goods
For Limits less than Rs. 1 Crore – 20%
For Limits Rs. 1 Crore & above – 25%
2. Book Debts – 25% (upto 90 days duration)</td></tr>
<tr><td>7</td><td>Repayment</td><td>Term Loans – Upto 7 Years with maximum holiday period of 12 months.

Working capital: One year with yearly renewal.</td></tr>
<tr><td>8</td><td>Security Cover</td><td>Primary: Hypothecation of stocks / book debts / machineries / EM of factory land & building / charge on assets created out of Bank finance.

Collateral: No collateral should be obtained for limit up to Rs. 10 Lakhs.

<u>For Limit above Rs. 10.00 Lakhs:</u> Additional Security cover by way of EM property / In the form of FDR/LIC/NSC, etc., belonging to borrower / guarantor for limits sanctioned (both FB & NFB) should be 100% of loan amount, with a provision to relax upto 50% by ZLCC, based on satisfactory conduct / operations of the account, good track record and linked to credit rating of borrower.

The residual value of factory Land & building (net of MTL exposure) with stipulated margin shall also be taken as a component of additional security. In case where margin is relaxed, residual value shall be the value as per norms and not reduced margin.</td></tr>
<tr><td>9</td><td>Processing & other charges</td><td>Term Loan:
i. Upto Rs. 25000/- : NIL
ii. Above Rs. 25000 : 0.50% of the limit sanctioned

Working Capital:
✓ Upto Rs. 25000: NIL
✓ Above Rs. 25000/- up to Rs. 10 Lakh: 0.25% of the entire limit up to 10 lakhs
✓ Above Rs. 10 Lakh: 0.35% of the entire limit</td></tr>
</table>

S.No	Particulars	Guidelines
		All other charges: As per circular on service charges related to Agri advances issued from time to time. 50% concession in applicable Processing Charges for all takeover accounts under STAR AGRO MILLS Scheme.
10	Rate of Interest	Repo rate linked. Based on internal combined rating grade and extent of collateral ROI should not be below the REPO Rate + Prime Spread at any point of time.
11	Bank Guarantee (Performance) Commissions	Commission @ 0.50% p.a is to be charged (instead of existing 50% concession) on BG [Performance Guarantee] issued in favour of Government Authorities only for Custom Milling/producing raw materials by all Rice Mills under IB Star Agro Mills Scheme for the Branches in the states of Chhattisgarh, Andhra Pradesh, Telangana, Madhya Pradesh and Odisha. Rice Mill Units of other States involving in Custom Milling activity on case to case basis, this concession may be considered by FGMs/ZMs to reduce the TAT, for the accounts falls under their Sanction Powers.
12	Takeover	Take over guidelines as per Credit Policy should be complied with.
13	Insurance / Inspection	For full value of stocks / machinery and building. Stock and book debt statement to be submitted every month. Unit to be inspected every month by branch manager / branch official
14	Documentation	As per Documentation manual
15	Other details	✓ It should be ensured that borrowers have good track record by ensuring that account is Standard asset and there are no unsatisfactory dealings, obtention of credit opinions from existing bankers, ensuring good market report and ensuring that account / promoters do not figure in RBI / ECGC / CIBIL defaulter lists. ✓ Branch / ZM should have constant vigil and ensure that working capital advances extended to rice mills / dhal mills / oil mills / flour mills are adequately backed by paid for stocks with stipulated margin by conducting periodical physical verification as per extant guidelines. ✓ Stock audit to be conducted for all eligible accounts as per extant norms. ✓ Reduction in interest income should be offset by increase in volume of advances to this segment. Rice mills / dhal mills / oil mills / flour mills potential should be effectively tapped by ZMs towards achieving this objective. ✓ Review / renewal as per CO norms ✓ Pre-payment charges as per CO norms ✓ All statutory approvals should be obtained. ✓ Proper end use of funds drawn from the Bank shall be ensured. ✓ All sales made under Levy quota shall necessarily be routed through bank accounts and major portion of cash sales (for goods sold in the open market) shall also be routed through the account with our Bank. ✓ Level of operations / productivity shall also be verified from returns submitted by Rice shellers / Dhal Mills / Oil Mills / Flour Mills to State Food & Civil Supply Authority / any other appropriate authority. ✓ Withdrawals from the working capital account shall be subject to availability of DP based on stocks and book debts upto stipulated tenor, as per extant guidelines.

S.No	Particulars	Guidelines
		✓ Periodic Stock inspection and stock audit as per guidelines shall be ensured. ✓ Obtention of necessary statutory approvals like millers license, paddy procurement order, boiler certificate, pollution control clearance etc. to be ensured. ✓ All prescribed extant guidelines on monitoring of advances shall apply

Food and Agro Processing

S.No	Particulars	Guidelines
1	Purpose of loan / Activities covered	➢ Processing and preserving of Fruits, Vegetables, Meat, Fish, crustaceans and molluscs. ➢ Manufacturing of vegetable, animal oils and fats. ➢ Manufacturing of dairy products. ➢ Manufacturing of grain mill products, starches and starch products. ➢ Manufacturing of animal feeds. ➢ Manufacturing and processing of other Food and Agro products.
2	Margin	**Term Loan:** 25% for new machinery and 30% for landed property and building. **Working capital:** 1. Stocks: For Limits less than Rs. 1 Crore – 20% For Limits Rs. 1 Crore & above – 25% 2. Book Debts – 25% (upto 90 days duration)
3	Quantum of finance / Assessment	**Term loan:** Based on Project cost **Working Capital**: As per Credit Policy guidelines. ➢ Limits upto Rs. 5.00 Crs - Turnover method ➢ Limits above Rs. 5.00 Crs - MPBF II Method / Cash Budget Method. **NFB Facilities:** Need based
4	Security	➢ **Primary:** Hypothecation of stocks / book debts / machineries / EM of factory land & building / charge on assets created out of Bank finance. ➢ **Collateral:** No collateral should be obtained for limit up to Rs. 10 Lakhs. ➢ Minimum Security Coverage Ratio of 1.20 should be maintained at all times. ➢ Guarantee: Suitable third party guarantee may be obtained depending upon the loan amount.
5	Repayment period	Repayment for commercial activity is to be fixed based on life cycle of the project, on the cash flows, on ballooning basis, or as bullet payment or in EMI. Term Loans – Maximum repayment period allowed is 15 years. Working capital: One year with yearly renewal.
6	Processing & other charges	**Term Loan:** ✓ Upto Rs. 25000/- : NIL ✓ Above Rs. 25000 : 0.50% of the limit sanctioned **Working Capital:**

S.No	Particulars	Guidelines
		✓ Upto Rs. 25000: NIL ✓ Above Rs. 25000/- up to Rs. 10 Lakh: 0.25% of the entire limit up to 10 lakhs ✓ Above Rs. 10 Lakh: 0.35% of the entire limit **All other charges:** As per circular on service charges related to Agri advances issued from time to time.
7	Rate of Interest	Repo rate linked. Based on internal combined rating grade and extent of collateral
8	Applicability of Scoring / Rating modules and its scale	As per Credit Policy
9	Documentation	As per Documentation manual
10	Other details	➢ All guidelines from time to time / Credit Policy to be complied with

<u>IB H and T Loan (Sugarcane Harvesting and Transportation)</u>

Particulars	Guidelines
Target Group & Eligibility	✓ Contractors/ Transport Operators identified by the sugar factory, who undertake sugarcane Harvesting and Transportation from the field to factory. ✓ It is to be ensured that no similar loans are overdue/ outstanding in some other bank for the sugar mill/borrower.
Types of facilities available	Term Loan only.
Purpose	To meet the “advance payment" required to engage laborers for cutting, loading and unloading work exclusively for transportation of sugar cane from farmers’ field to the sugar factories and fuel expenses for tractors/trailers involved for this purpose only.
Margin	12.50%
Maximum limit	✓ Assuming that during a season, a Contractors/ Transport Operators supplies 1500 to 2000 MTs of cane to the factory during the crushing period, following is the calculation for arriving upon the quantum of loan/ Loan Limit. ✓ However, MAXIMUM LOAN LIMIT PERMITTED UNDER THE PRODUCT IS LIMITED TO Rs 7.00 LAKHS. ✓ **Margin:** 12.50% ✓ Please note that the sugar mill has to indicate in each case the quantum of loan (amount/ tonnage) for the identified contractor/ transport operators to avoid over financing.
Outlay(sanctioning authority)	✓ The outlay under each sugar mill will be sanctioned by Zonal Manager/ ZLCC. ✓ The outlay will be sanctioned based on the crushing capacity of sugar mill and number of contractors/ operators identified by the Sugar Mill.

Repayment Period	✓ The loan, along with the interest, will be repaid in full by the sugar mill, out of the cane proceeds of the farmers by the factory within 12 months of disbursement or before the next season starts, whichever is earlier. ✓ End of Term to be selected in repayment schedule.
Disbursement	The mode of disbursement is by way of crediting the loan amount to the SB account of the individual contractor.
Processing Charges & other charges	0.25% of limit + Inspection Charges @ 0.01% of loan (minimum ₹115/-) (Inspection charges to be recovered manually). All other charges as per service charges circular.
Rate of Interest	One Year MCLR + 0.50% Spread (Floating)
Security Norms	• NIL • While calculating the Drawing Power for working capital for sugar mill banking with us, the amount of loan outstanding to be deducted until these loans are repaid. • The Sugar Mill/Company to execute a "Corporate Guarantee" in Bank's favour for the aggregate limit of H & T Loans (outlay) sanctioned.
Documentation	Aadhaar number of the borrower is mandatory while opening the saving account with us, duly introduced by the company. ❖ In case the vehicle owner and contractor who is applying for the loan are two different persons, a consent letter from the vehicle owner is to be obtained by the contractor in a format vetted by CO: Legal Department. ❖ Security/ Documents to be executed by individual borrowers (H&T Contractors) ❖ DPN executed by individual transport operator ❖ D-07 Disposal of proceeds letter ❖ F-63 Covering letter for loans and advances for which there are no special agreements ❖ Copy of R.C. Book as proof of owning the vehicle ❖ Common Documents to cover entire H&T loans [to be executed by the company] ❖ Resolution by the Company (Sugar Mill) authorizing to execute corporate guarantee in Bank's favour for the aggregate limit of H & T Loans (outlay) ❖ Corporate Guarantee by the Company (Sugar Mill) covering aggregate finance plus interest ❖ Undertaking by the company that they would liquidate entire H&T Loan liabilities including interest, within one year from date of disbursement or before start of next crushing season, whichever is earlier, even if contractor does not carry out the Harvesting and Transportation contract.

system to be adopted in case of default	• In case of default in repayment of the loan, Branch Manager should send registered notices with acknowledgement to individual borrowers, to repay the loan and close the loan immediately, under a copy to the sugar mill/company. • Simultaneously, Branch shall send a registered notice to the sugar mill/company requesting them to make the repayment immediately mentioning that in spite of their undertaking that they would deduct the amount from the H&T bills and liquidate entire H&T Loan liabilities including interest within one year from date of disbursement or before start of next crushing season, whichever is earlier, the repayment has not come • Branch Manager should also ask them in the same letter to honour their corporate guarantee.
Applicable Statutory/ Regulatory provisions and status of Compliance and AML	As per RBI Master Direction on Priority Sector Lending, loans to Custom Service Units managed by individuals, institutions or organizations who maintain a fleet of tractors, bulldozers, well- boring equipment, threshers, combines, etc. and undertake farm work for farmers on contract basis are classified under Agriculture Ancillary Activities.
Other Major Risks and Risk Mitigant – including legal risks and mitigant and analysis of Reputation risk	✓ Even though KYC of the borrowers can be established, majority of them may not belong to the area of operation of the sugar mills, hence in case of default it may be difficult task to trace these borrowers. As a mitigation measure Corporate Guarantee by the Company (Sugar Mill) covering aggregate finance plus interest is to be obtained. Moreover the company will undertake to deduct amount from the H&T bills and liquidate entire H&T Loan liabilities including interest which will further reduce the chances of default. ✓ A contractor or a transport operator (Lorry owner or Tractor owner), in the vicinity/ contact with the factory, forms a group of labourers (locally called 'Gangs') for cutting the sugarcane from the fields of the farmers. ✓ There is an agreement between the Factory and the Contractor/Transport operator to supply a definite quantity of cane daily. And based on the tonnage supplied, the factory pays the amount. Besides, the factory pays for diesel charges of the vehicle as and when required. Thus, these payments (labourers, fuel etc) are to be made by the factory <u>in advance</u> for ensuring continuous supply of cane during the run of the factory. ✓ At the end of the season, the factory deducts these Harvesting and Transport charges from the cane proceeds payable to the farmers based on the tonnage supplied by each farmer. ✓ For meeting these “advance payment" requirements, the factory needs an outlay (Line of Credit). ✓ The loan, along with the interest, will be repaid in full by the sugar mill, out of the cane proceeds of the farmers by the factory within 12 months of disbursement or before the next season starts, whichever is earlier. ✓ The Sugar Mill/Company will execute a "Corporate Guarantee" for these loans as a whole i.e. the factory will not give individual guarantee for each one of the loan to the individual operators but will sign a "Corporate Guarantee" covering all such loans given by the Bank. ✓ As the loan is to be given for Harvesting and Transportation of canes from the field to factory, the same is named as “IB H and T Loan”.

Plantation Crop - TEA Growers

Sl.	Particulars	**Guidelines**
1	Target Group	All Units (Proprietorship/Partnership/Private Limited Company) engaged in cultivation of Tea and/ or manufacturing of Tea-existing units
2	Eligibility	➢ Availability of all required licenses / approvals (as under) should be ensured and sustainability of projected income to service bank dues should be ascertained. ➢ The planter should be a registered grower with Tea Board (Who is having Tea Estates). ➢ Tea Board should issue No Objection for setting up a new tea- processing unit with a specified installed capacity per annum. ➢ Factory license is approved by the competent authority. ➢ NOC from Pollution Control Board for establishing the factory should be obtained. Other required approvals if any, to be obtained. ➢ Consistent net profit making units for a minimum period of two years, for existing units.
3	Types of facilities available	Term Loan Cash Credit NFB facilities
4	Purpose	a. To finance units engaged in cultivation of Tea and/ or manufacturing of Tea. b. Cultivation/maintenance of tea estates. c. Acquisition of new machinery /factory building/ modernization. d. Working Capital needs.
5	Quantum of finance / Assessment	i. Term Loan based on Project cost Assessment of Working Capital: ii. Cash Budget method (As per Credit Policy guidelines) iii. Peak level/ Non-peak level limits based on Cash inflow-outflow. **Borrowers having Tea Estate & Manufacturing Unit:** ✓ Tea Cash Credit Limits for the large borrowers may have to be fixed based on a detailed monthly cash budget with capital and revenue flows segregated for the entire season/year to be obtained. ✓ Wherever the borrowers submit cash budget combining revenue and capital flows, the deficit on capital account should be deducted from peak level deficit while arriving Maximum Permissible Bank Finance (MPBF). **Borrowers having Tea Estate only**: ✓ Working capital limit should be based on the scales of finance determined by Standing Area Development Committee to be constituted by Tea Board.
5	Margin Norms	**Term Loan:** 25% for new machinery and 30% for landed property and building Working **Capital:** Margin denotes availability of required NWC of 25% on peak deficit of previous year, as per RBI guidelines.
6	Repayment Period	**Term Loans:** Maximum 10 years including moratorium period of 12 months. Principal shall be repaid in instalments and interest shall be recovered as and when debited. Working capital: Working capital to be renewed annually / Term Loan (DL) to be reviewed annually.

7	Processing & other charges	**Term Loan:** ✓ Upto Rs. 25000/- : NIL ✓ Above Rs. 25000 : 0.50% of the limit sanctioned **Working Capital:** ✓ Upto Rs. 25000: NIL ✓ Above Rs. 25000/- up to Rs. 10 Lakh: 0.25% of the entire limit up to 10 lakhs ✓ Above Rs. 10 Lakh: 0.35% of the entire limit **All other charges:** As per circular on service charges related to Agri advances issued from time to time.
8	Rate of Interest	✓ Upto Rs 3.00 lacs: 1 Yr MCLR + 2.50% ✓ Above Rs.3.00 lacs & upto Rs.10.00 lacs: 1 Yr MCLR + 2.75% ✓ Above 10.00 Lacs below Rs. 100.00 lacs: 1 Yr MCLR + 3.00% Rs. 100.00 lakhs & Above - Linked to Internal (RAM) Rating of borrowers
9	Security Norms	**Primary:** Charge on assets created out of Term Loan and Hypothecation of Stocks & Book Debts in case of Cash Credit. **Collateral:** Immovable property by way of EM of property & other tangible/liquid securities (MMD/FD/LIC policy etc) belonging to the Borrower/Guarantor. Personal guarantee/s of Proprietor/ Partners/ Directors for all the cases to be ensured.
10	Documentation	As per Documentation manual
12	Other details	✓ Stocks/machineries/building, etc charged to the Bank need to be insured with Bank clause for full value of assets. ✓ At the beginning of each season a fresh letter of authority by the concerned borrower authorizing the tea brokers to remit the sale proceeds of the tea auctioned direct to the branch and a fresh letter of concurrence from the brokers agreeing for the above should be obtained. ✓ Separate account to be maintained for each season like TCC 2016, TCC 2017, etc. ✓ Drawals for the ensuing month will be permitted by the branch only on receipt (in the prescribed cash budget format) of the actual inflows and outflows in the previous month. ✓ Obtention of necessary statutory approvals like NOC from Tea Board, Factory license, pollution control clearance etc. to be ensured. ✓ Market price movement of Tea to be periodically watched. ✓ Tea Cash Credit limit should be renewed for every season/year by submitting the renewal/enhancement proposal to the sanctioning authority well before the commencement of the season. ✓ Before renewing the limits, it must be ensured that the stocks with the tea company and/or with the tea brokers are adequate enough to liquidate.

Plantation Crop - COFFEE Growers

Sl.	Particulars	**Guidelines**
1	Target Group	All Units (Proprietorship/Partnership/Private Limited Company) engaged in cultivation of coffee and/ or manufacturing of coffee- existing units
2	Eligibility	Availability of all required licenses / approvals (as under) should be ensured and sustainability of projected income to service bank dues should be ascertained. Coffee/Cardamom Registration Certificate with the concerned Board is essential.
3	Types of facilities available	Term Loan
4	Purpose	The loan should be advanced for intensive cultivation and replanting of coffee only. The intensive cultivation may include among others, vacancy filling in coffee plants, vacancy filling in subsidiary crops like pepper, orange, planting of shade trees both temporary and permanent in exposed areas, trenching after every four rows of coffee for conservation of soil/drainage, mending of fence, liming of soil to reduce acidity, intensive management by higher doses of fertilizers,plant protection measures, timely pruning etc.
5	Quantum of finance / Assessment	✓ Term Loan based on Project cost. ✓ As per the scale of finance approved by DLTC/ State approved NABARD unit cost model.
5	Margin Norms	25%
6	Repayment Period	**Term Loan:** Maximum 10 years including moratorium period of 12 months. Principal shall be repaid in instalments and interest shall be recovered as and when debited.
7	Processing fee & other charges	**Term Loan:** Upto Rs. 25000/- : NIL Above Rs. 25000 : 0.50% of the limit sanctioned **Working Capital:** Upto Rs. 25000: NIL Above Rs. 25000/- up to Rs. 10 Lakh: 0.25% of the entire limit up to 10 lakhs Above Rs. 10 Lakh: 0.35% of the entire limit **All other charges:** As per circular on service charges related to Agri advances issued from time to time.
8	Rate of Interest	✓ Upto Rs 3.00 lacs: 1 Yr MCLR + 2.50% ✓ Above Rs.3.00 lacs & upto Rs.10.00 lacs: 1 Yr MCLR + 2.75% ✓ Above 10.00 Lacs below Rs. 100.00 lacs: 1 Yr MCLR + 3.00% ✓ Rs. 100.00 lakhs & Above - Linked to Internal (RAM) Rating of borrowers
9	Security Norms	**Primary**: Charge on assets created out of Term Loan **Collateral:** Immovable property by way of EM of property & other tangible/liquid securities (MMD/FD/LIC policy etc.) belonging to the Borrower / Guarantor.

		Personal guarantee/s of Proprietor/ Partners / Directors for all the cases to be ensured.
10	Documentation	As per Documentation manual
12	Other details	Full value of assets charged to the Bank need to be insured with Bank clause. Wherever marketing tie up is available: An irrevocable letter of authority from the borrower authorizing the bank to receive the sale proceeds directly from the procuring/processing agency and a letter from the procuring/processing agency agreeing for the above.

Produce Marketing Loan (PML)

Sl.	Particulars	**Guidelines**
1	Target Group & Eligibility	Direct financing: All farmers/ Agriculturalists who stored their produce in warehouses registered with WDRA.
2	Types of facilities available	Term Loan & Working Capital facilities
3	Purpose	To provide finance against pledge of Warehouse receipts, godowns / cold storage receipts etc. To finance farmers against the electronic Negotiable Warehouse Receipts (eNWRs) issued by the National e- Repositories Limited. Viz. M/s National e-Repository Ltd (NERL) Electronic Negotiable Warehouse Receipts will be issued against the agricultural produce stored in the warehouses owned/leased by the said Collateral Management Company or their franchisee warehouses/field warehouses, and registered under Warehouse Development regulatory Authority(WDRA) To avoid distress sale of agricultural produce by the farmers and enable them to get a remunerative price.
4	Quantum of finance / Assessment	70% of the wholesale market price of the produce stored The commodity offered for pledge will be valued by considering the lowest of the following: a. Minimum Support Price, wherever declared. b. Current Market Price (agmarknet.nic.in) c. Value mentioned in e-NWR. A separate Sub Limits to be assessed for each commodity
5	Margin Norms	30% of the Produce stored. If commodity is highly perishable in nature (perishability up to 6 months), higher margin of 40% shall be held
6	Maximum limit	**NWR:** Rs. 50.00 Lakhs Per borrower. **e-NWR** :Minimum Rs.1.00 lakh and Maximum Rs.75.00 lakh per borrower

7	Sanctioning Authority	As per Discretionary Power Booklet
8	Repayment Period	To be based on perishability of commodities, subject to a maximum period of 12 months.
9	Tie-Up arrangements	Bank has entered MOU with NERL for financing against e-NWR issued by them.
10	Fees Payable to NERL	The fees payable to NERL is to be paid by debiting the loan account under charges.
11	Processing fee & other charges	**Term Loan:** Upto Rs. 25000/- : NIL Above Rs. 25000 : 0.50% of the limit sanctioned **Working Capital:** Upto Rs. 25000: NIL Above Rs. 25000/- up to Rs. 10 Lakh: 0.25% for entire limit up to Rs.10.00 Lakhs Above Rs. 10 Lakh: 0.35% for entire limit for above Rs.10.00 Lakhs
12	Rate of Interest	✓ Upto Rs 3.00 lacs: 1 Yr MCLR + 2.50% ✓ Above Rs.3.00 lacs & upto Rs.10.00 lacs: 1 Yr MCLR + 2.75% ✓ Above 10.00 Lacs Upto Rs. 50.00 lacs: 1 Yr MCLR + 3.00% ❖ Small and Marginal Farmers (Eligible for Interest Subvention) Up to Rs.3.00 lakhs for Small and Marginal Farmers: 7% p.a. for tenure up to 6 months' subject to GOI guidelines on Interest Subvention scheme from time to time. ❖ For tenure above 6 months there will be no Interest Subvention.
13	Security Norms	Pledge of Negotiable Warehouse Receipts/stocks evidenced by Warehouse receipts. (E- NWR)
14	Documentation	As per Documentation manual

15	Other details	✓ Branches are advised to extend such Pledge Finance only against Negotiable Warehouse Receipts (NWRs) issued by warehouses registered with WDRA. Branches shall not extend Pledge Finance against any other type of store receipts, commodity arrival reports, warehouse receipts or non- negotiable warehouse receipts etc. ✓ Pre sanction inspection to be done before sanction. Post sanction inspection to be completed within 7 days. Subsequent inspection at least once in a Quarter. Stock register maintained by the storage authority should also be verified. ✓ The NWR pledged produce to be released after remittance to produce loan in full. ✓ Part release of Goods: Part release of goods may be permitted. In case of part release, along with principal, proportionate interest is also to be recovered. A register of movement of warehouse receipts should be maintained by the Branch. Particulars of Release / Part release should be noted / recovered therein. ✓ Comprehensive Insurance Cover for goods stored. ✓ The branch should obtain the specimen signature of the warehouse/cold storage authority and verify the genuineness of the signature on the warehouse receipt before making the advance. ✓ Similarly, the warehouse/cold storage authorities should be supplied with the specimen signature of the officers of the Bank who will sign the delivery orders. ✓ Once the market price of the agricultural produce increases, the farmer should be advised to sell his stocks, otherwise the interest burden may be more than the additional benefit to be received from the increased price. ✓ Branches should ensure compliance with the directives issued by RBI from time to time with regard to advances granted against commodities covered under selective credit control.

Land Purchase Scheme

Sl.	Particulars	Guidelines
1	Target Group & Eligibility	Small farmers/ Marginal farmers, Share croppers / Tenant farmers are eligible. The total land holding including proposed area of land to be purchased under the scheme should not be more than 5 acres of non- irrigated land or 2.5 acres of irrigated land.
2	Types of facilities available	Term Loan
3	Purpose	Finance farmers for purchase, develop and cultivate agricultural Land (Fallow / Wasteland).

4	Quantum of finance / Assessment	○ Land cost including value of stamp duty, registration charges for sale / mortgage deed and other expenses relating to registration of land should not be more than 50% of the total project cost or Rs.2.50 lakhs whichever is higher. ○ Balance of 50% or Rs. 2.50 lacs should be considered towards development activities like irrigation facilities, land levelling, fencing etc.
5	Margin Norms	20% of the project cost.
6	Maximum limit	Rs. 5.00 Lakhs
7	Sanctioning Authority	Zonal Level Credit Committee (ZLCC)
8	Repayment Period	Repayable in 7-10 years in half-yearly/yearly instalments including a maximum moratorium period of 24 months.
9	Processing & other charges	✓ **Term Loan:** Upto Rs. 25000/- : NIL ✓ Above Rs. 25000 : 0.50% of the limit sanctioned ✓ **All other charges:** As per circular on service charges related to Agri advances issued from time to time.
10	Rate of Interest	✓ Upto Rs 3.00 lacs: 1 Yr MCLR + 2.50% ✓ Above Rs.3.00 lacs & upto Rs.5.00 lacs: 1 Yr MCLR + 2.75%
11	Security Norms	Mortgage of the land purchased out of the bank finance/third party guarantee.
12	Documentation	As per Documentation manual
13	Other details	○ The price indicated by the farmer for deciding the quantum of finance should be on par or less than the last 5 years average registration value available with the Registrar/ Sub-Registrar of the area or the prevailing market rate. ○ The purchase of land should not be in fragmented land holdings and there should be resultant increase in production/ productivity. ○ Minimum land holding proposed to be purchased should be 0.50 acres of irrigated or one acre of dry land and the total land holding during post development period should be an economic and viable unit size with capacity to service the total borrowings. ○ The finance provided by the bank should not result in acquisition of land for investment and encashing on rising prices of the land. ○ In certain states/regions, State governments have imposed restrictions on sale/purchase of agricultural land (e.g. Tribal belt, SC/ST, hill areas etc.). Branches should take note of it while sanctioning the loans.

IB Rooftop Solar Light Scheme

Sl.	**Particulars**	**Guidelines**
1	Target Group	Individuals, group of individuals, SHGs, JLGs, NGOs, Trusts, Farmers Clubs, Registered Farmers Producers Organizations (FPOs) and any other type of borrowers approved by MNRE/state government. Private/Public Limited Companies/ Corporate will not be eligible. Grid Connected models available for individual and group of individuals only. Our staff and all existing standard home loan customers of our bank.

2	Eligibility	Customers from the target group, depending on their repayment capacity as decided by the sanctioning authority based on income from all documented sources. Rooftop rights of the applicant/ borrower should be ensured.
3	Income criteria	In respect of salaried class, as applicable to Home Loan, 40% take home pay on gross income after the proposed EMI shall be ensured. This 40% norm may be waived by the sanctioning authority if the take home pay after considering the EMI is more than Rs. 20,000/-. For arriving at eligibility for SHL borrowers, spouse income may also be included. For other individual and non-individual borrowers, the eligibility will be decided based on their capacity to repay the loan as decided by the sanctioning authority based on income from all documented sources.
4	Types of facilities available	Term Loan
5	Purpose	To Purchase and Installation of MNRE approved off grid Models of Solar Photovoltaic Lighting Systems upto 5,000 Wp from MNRE empanelled manufacturers, including electrification and necessary accessories. Solar Photovoltaic Systems by domestic consumers from suppliers/ manufacturers/ installers, empanelled with State Government, is also permitted.
6	Quantum of finance / Assessment	Up to 80% of the project cost (including subsidy if any). Loans upto 10.00 lakhs will be treated as priority sector advances. Project cost should be in accordance with the cost as prescribed by MNRE/State Govt. from time to time. For grid connected systems, quantum of loan shall be as prescribed by state government.
7	Margin Norms	20% of the project cost. 10% of the project cost in addition to the subsidy, if available.
8	Sanctioning Authority	For Public: All Branch Managers upto their discretionary power delegated for secured loans under General Credit. For staff at ZO –ZLCC, Corporate office / Head office- COLCC (GM).
9	Repayment Period	Maximum of 5 years.(For loans eligible for subsidy, repayment should be minimum 3 years)
10	Processing fee & other charges	No processing charges, if subsidy is available. Where subsidy is not available: In view of the national importance of the activity, the processing fee is fixed at 0.50% of the loan amount. For staff members– Processing charges are waived. All other charges: As per circular on service charges related to Agri advances issued from time to time.

11	Insurance	The unit should be insured for full value and for all possible risks. The Insurance premium may also be included in the total financial outlay.
12	Rate of Interest	1 Year MCLR + 1.30% For staff/Employees of the bank: 1 Year MCLR +1.05%
13	Security Norms	**For loans Upto Rs. 1.6 lakh:** Hypothecation of equipment's purchased out of bank loan. **For loans above Rs. 1.6 lakh and Upto Rs. 5 lakh:** Hypothecation of equipment's purchased out of bank loan and suitable third party guarantee. **For loans above Rs. 5 lakh:** Hypothecation of equipment's purchased out of bank loan and tangible collateral security like EM of non-Agri land/ building/ FD of our bank or similar securities. Relaxation in security norms can be considered by ZLCC on case to case basis.
14	Sanctioning Authority	**<u>For Public:</u>** ✓ All Branch Managers upto their discretionary power delegated for secured loans under General Credit. ✓ Beyond the discretionary power, proposal to be sent to higher authority. **<u>For staff members:</u>** ✓ Appraisal/ Sanction to be done by ZLCC where the employee is currently posted. ✓ In case of employees coming under the purview of Corporate office / Head office, sanction to be made by COLCC (GM).
15	Documentation	➢ Application form. (Similar to Consumer Loan) ➢ Up to date tax paid receipt from the competent authority. ➢ Quotation from the Manufacturer empanelled with MNRE/State government agency. ➢ Other documentation as per Indian Bank Consumer Loan Scheme. ➢ The invoice along with the bill of materials (BoM) clearly stating the make, number and other details of the components as per test report. ➢ Copy of test report by manufacturer. ➢ All other documents as per documentation manual is to be obtained.
16	Other details	✓ Unique identification number for each system should be printed on each component of the system and should be mentioned in the bill of materials as well. ✓ Repaying capacity of the applicant should be ensured based on the latest financial documents / Income proof. ✓ All other terms and conditions as stipulated by NABARD and Ministry of New and Renewable Energy (MNRE) from time to time. ✓ Rooftop rights of the applicant/ borrower should be ensured.

MUDRA ALLIED

Sl.	Particulars	**Guidelines**
1	Target Group & Eligibility	Any individual including women, proprietary concern, partnership firm, private limited company or any other entity are eligible applicant under PMMY. All Activities allied to Agriculture e.g. Pisciculture, Bee keeping, Poultry, Livestock rearing, grading, sorting, aggregation, Agro industries, Dairy, Fishery, Agri Clinic and Agribusiness centers, Food and Agro processing etc (excluding crop loans, land improvement such as canal, irrigation, wells) shall be eligible for coverage under Pradhan Mantri Mudra Yojana (PMMY) as per extant definition.
2	Types of f facilities available	• Term Loan • Working Capital **For Working Capital:** ✓ 20% of the eligible working capital limit will be allowed to be operated through MUDRA card i.e. MUDRA card limit will be 20% of the eligible working capital limit, for which a special Rupay Debit Card is introduced by our Bank. ✓ 80% of the eligible limit should be given in the form of OCC.
3	Purpose	Working Capital Requirements, Purchase of Fixed Assets, etc.
4	Quantum of finance / Assessment	Term Loan and/or Working Capital up to maximum limit of Rs.10 lakhs under 3 categories, viz., ✓ Shishu: loans Upto Rs.50,000/- ✓ Kishore: loans above Rs.50,000/- and upto Rs.5 lakh ✓ Tarun: loans above Rs.5.00 lakh to Rs.10.00 lakh. Type of assessment: As per extant guidelines
5	Margin Norms	Shishu – Nil, Kishore – 10%, Tarun - 15%
6	Repayment Period	As per extant guidelines of the Bank.
7	Processing fee & other charges	**Term** Loan: Upto Rs. 25000/- : NIL Above Rs. 25000 : 0.50% of the limit sanctioned **Working Capital:** Upto Rs. 25000: NIL Above Rs. 25000/- up to Rs. 50 Lakh: Rs. 250 per lakh or part thereof Min. of Rs. 250 All other charges: As per circular on service charges related to Agri advances issued from time to time.
8	Rate of Interest	Loan amount up to Rs. 2.00 Lakh: 1 Yr MCLR + 1.35% Above Rs. 2.00 Lakh up to Rs. 10.00 Lakhs : 1 Yr MCLR + 2.00%
9	Security Norms	Primary Securities: Assets created out of the loan. Mandatory coverage under CGFMU Collateral Security: No collateral security or Third party guarantee should be taken under this product.
10	Sanctioning Powers	As per Discretionary Power Booklet. Administrative Approval has to be obtained from Zonal Office for sanction of Mudra Loans above Rs. 1 lakh

11	Documentation	As per Documentation manual
12	Other details	✓ Proper care should be taken at pre sanction and post sanction stages. Branch Manager should ensure existence of the unit and pre Sanction inspection report should be part of the documents. ✓ End use of funds should be ensured by the Branch Manager and documentary proof for the same to be kept along with the documents. Stock statement for the first month after disbursement should be obtained and kept along with documents as a proof of end use of working capital component and stamped receipt in respect of term loan component. ✓ Insurance to be taken for assets created out of the loan / assets held as security as per guidelines from time to time ✓ CGFMU Coverage is mandatory. All guidelines of CGFMU scheme to be followed meticulously. ✓ Units should be inspected at least once in a quarter and condition of the working of the unit should be recorded. ✓ Zonal Offices to monitor regarding CGFMU cover for accounts sanctioned under this product. ✓ Branch should ensure filing of charges as applicable to other advances. ✓ In case of accounts with annual turnover more than Rs.1.00 Cr, audited financial statements to be submitted. ✓ Symptoms of sickness, if any, should be diagnosed at the earliest and the account to be closely monitored. ✓ All guidelines issued from time to time / as per Credit Policy to be complied with.

Differential Rate of Interest Scheme - Agriculture (DRI-AGRI)

Sl.	Particulars	Guidelines
1	Target Group	Scheduled Cases / Scheduled Tribes and others engaged on a very modest scale in Agriculture and / or allied agricultural activities. People physically engaged on a modest scale in the fields of cottage and rural industries and vocations, Physically handicapped persons pursuing gainful occupation. Branches have to grant not less than 2/5th (40 percent) of total DRI advances to SCs/STs category.
2	Eligibility	✓ Family income not exceeding Rs.18,000/- p.a. in rural areas and Rs.24,000/- p.a. in urban / semi urban areas. ✓ Land holding does not exceed 1 acre irrigated or 2.5 acres in case of Non - irrigated land. ✓ SCs/STs are eligible for loan irrespective of their land holding, provided they satisfy other eligibility criteria. ✓ The beneficiary should not have another source of finance while DRI loan exists
3	Types of facilities available	Term Loan only
4	Purpose	To lend at a concessional rate of interest, i.e. @ 4% p.a. for productive / self-employment ventures

5	Quantum of finance / Assessment	Maximum of Rs.15,000/- by way of terms loan and / or working capital. The maximum limit for housing loans under the scheme is Rs.20,000/- In the case of physically handicapped persons, a sum of Rs.5,000/- for purchase of aids, appliances and equipments may be granted, apart from the loan amount of Rs.15,000
6	Margin Norms	Nil
7	Repayment Period	✓ Maximum of 5 years. ✓ In case of housing loans, the repayment period is extendable to 7 years in hardship cases. ✓ Installments to be fixed monthly or otherwise depending on income generation
8	Processing &other charges	Nil
9	Rate of Interest	4.00%
10	Security Norms	**Primary:** Hypothecation of assets created out of loan. **Collateral:** Nil
11	Documentation	As per Documentation manual
12	Other details	Insurance of Assets (Machinery / Vehicle) is mandatory. All guidelines issued from time to time / as per Credit Policy to be complied with.

Other Priority Sector Loans under Agriculture

Sl.	Particulars	Guidelines
1	Target Group & Eligibility	➢ Loans not exceeding Rs.50,000/- per borrower provided directly by banks to individuals and their SHG/JLG, provided the individual borrower's household annual income in rural areas does not exceed Rs.1.00 lakh and for non-rural areas it does not exceed Rs.1.60 lakh. ➢ Loans to distressed persons [other than farmers] not exceeding Rs.1.00 lakh per borrower to prepay their debt to non-institutional lenders. ➢ Loans sanctioned to State Sponsored Organizations for Scheduled Castes/ Scheduled Tribes for the specific purpose of purchase and supply of inputs and/or the marketing of the outputs of the beneficiaries of these organizations.
3	Types of facilities available	Term Loan only
4	Purpose	Any Bankable activity (Not for any Speculative purpose)
5	Quantum of finance / Assessment	Term Loan: Based on the cost of project / purpose.
6	Margin Norms	NIL
7	Repayment Period	As per extant guidelines of the Bank

8	Processing fee & other charges	**Term Loan:** Upto Rs. 25000/- : NIL Above Rs. 25000 : 0.50% of the limit sanctioned **All other charges:** As per circular on service charges related to Agri advances issued from time to time.
9	Rate of Interest	Upto Rs 3.00 lacs: 1 Yr MCLR + 2.50%
10	Security Norms	As per extant guidelines of the Bank
11	Documentation	As per Documentation manual
12	Other details	✓ Insurance of Assets (Machinery / Vehicle) created out of Bank finance is mandatory. ✓ All guidelines issued from time to time / as per Credit Policy to be complied with.

Agri MTL and other Agri Loans

Sl.	Particulars	Guidelines
1	Target Group & Eligibility	Individual farmers, Corporates including Farmer producer companies of individual farmers, Partnership firms and Co-operatives of farmers directly engaged in Agriculture activities.
2	Types of facilities available	✓ Term Loan ✓ Working Capital
3	Purpose	✓ Loans to farmers for Minor Irrigation, Land Development, pre and post-harvest activities, viz., spraying, weeding, harvesting, sorting, grading and transporting of their own farm produce. Development of Commercial Horticulture (Protected Cultivation in Poly House, Green House, etc.,) and others. ✓ Term Loan: Based on project cost/ Composite Loan including recurring expenditure in initial period. ✓ Working Capital: as per extant guidelines of the Bank.
4	Quantum of finance / Assessment	Based on Unit cost fixed by NABARD / individual project cost.
5	Margin Norms	For Limit up to Rs.1.60 Lakhs – NIL Limit above Rs.1.60 Lakhs – 15% to 25% of project cost.
6	Repayment Period	**Term Loan:** • To be repayable within 3-8 years. • Loan amount repayable in Monthly / Quarterly/ Half Yearly / Annual installments. • Repayments will be as per cash flow/ income generation pattern of the activity undertaken by the borrower.

7	Processing fee & other charges	**Term Loan:** Upto Rs. 25000/- : NIL Above Rs. 25000 : 0.50% of the limit sanctioned **Working Capital:** Upto Rs. 25000: NIL Above Rs. 25000/- up to Rs. 10 Lakh: 0.25% of the entire limit up to 10 lakhs Above Rs. 10 Lakh: 0.35% of the entire limit **All other charges**: As per circular on service charges related to Agri advances issued from time to time.
8	Rate of Interest	Upto Rs 3.00 lacs: 1 Yr MCLR + 2.50% Above Rs.3.00 lacs & upto Rs.10.00 lacs: 1 Yr MCLR + 2.75% Above 10.00 Lacs below Rs. 100.00 lacs: 1 Yr MCLR + 3.00% Rs. 100.00 lakhs & Above - Linked to Internal (RAM) Rating of
10	Documentation	As per Documentation manual
11	NPA Norms	Half yearly
12	Other details	✓ Insurance to be taken for assets created out of the loan / assets held as security as per guidelines from time to time. ✓ Units should be inspected atleast once in a quarter and condition of the working of the unit should be recorded ✓ All guidelines issued from time to time / as per Credit Policy to be complied with.

Agri Allied MTL

Sl.	Particulars	**Guidelines**
1	Target Group & Eligibility	Individual farmers, Corporates including Farmer producer companies of individual farmers, Partnership firms and Co-operatives of farmers directly engaged in Agri Allied activities.
2	Types of facilities available	Term Loan
3	Purpose	✓ Agri Allied Activities Namely: Sheep and Goat rearing, Piggery, Bee-keeping, Sericulture, Mushroom Cultivation, Bio Gas, etc. ✓ Term Loan: Based on project cost/ Composite Loan including recurring expenditure in initial period.
4	Quantum of finance / Assessment	Based on Unit cost fixed by NABARD / individual project cost.
5	Margin Norms	For Limit up to Rs.1.60 Lakhs – NIL Limit above Rs.1.60 Lakhs – 15% to 25% of project cost. Under MUDRA: Shishu – Nil, Kishore – 10%, Tarun - 15%
6	Repayment Period	Term Loan: ✓ To be repayable within 3-15 years. ✓ Loan amount repayable in Monthly / Quarterly/ Half Yearly installments. ✓ Repayments will be as per cash flow/ income generation pattern of the activity undertaken by the borrower.

7	Processing fee & other charges	Similar to Agri MTL Loans
8	Rate of Interest	Similar to Agri MTL Loans
9	Security Norms	Primary: Hypothecation of assets created out of loan.
		Collateral: • Immovable property by way of EM of property & other tangible/liquid securities (MMD/FD/LIC policy etc) belonging to the Borrower / Guarantor. Personal guarantee/s of Proprietor/Partners/Directors for all the cases to be ensured. **For limit up to Rs.10.00 lakhs under Allied activities which are eligible to be covered under MUDRA:** • Assets created out of loan • Mandatory coverage under CGFMU. • No Collateral Security or Third Party Guarantee.
10	Documentation	As per Documentation manual
11	NPA Norms	90 Days norms.
12	Other details	✓ Insurance to be taken for assets created out of the loan / assets held as security as per guidelines from time to time. ✓ Units should be inspected atleast once in a quarter and condition of the working of the unit should be recorded ✓ All guidelines issued from time to time / as per Credit Policy to be complied with.

Restructured Kisan Credit Card (KCC) Scheme

Sl.	Particulars	Guidelines
1.	Target Group & Eligibility	Wherever Crops have been affected due to Natural Calamity such as drought and flood etc.
2.	Purpose	To provide financial assistance to agriculturists affected by Natural Calamity.
3.	Types of facilities available	Term Loan (KCCs converted in to Term Loan)
4.	Quantum of finance / Assessment	The Principle amount of the crop loan as well as interest due for repayment in the year of occurrence of Natural Calamity converted into term loan.
5.	Repayment Period	✓ The repayment period of restructured term loan may vary depending on the severity of the natural calamity and its recurrence, the extent of loss of economic assets, and distress caused. ✓ Repayment period for Restructured loan may vary between 3 to 5 years. However, where the damage arising out of the calamity is very severe, period of repayment may be fixed upto 7 years and in extreme cases maximum period of 10 years in consultation with Task Force / SLBC.

6.	Asset Classification	○ The restructured portion of short term loans which has been converted into fresh loans may be treated as current dues and need not be classified as NPA. ○ The asset classification of these fresh loans would be treated as NPA if the Interest / Installment of principle remain overdue for two crop seasons for short duration crop and for one crop season for long duration crop.
7.	Margin	Margin may be waived or the grants / subsidy given by the concerned State Government may be considered as Margin.
8.	Processing fee & Other Charges	NIL
9.	Rate of Interest	Rate of interest on converted loans will be same as that charged on short term loans.
10.	Security	✓ Where the existing security has been eroded because of damage or destruction by flood, assistance will not denied because of that. ✓ Where the crop loan (which has been converted into term loan) was earlier given against personal security / hypothecation of crop and the borrower not able to offer charge / mortgage of land as security for the converted loan, he should not be denied conversion facility merely on the grounds of inability to furnish land as security. ✓ If the borrower has already taken a term loan against mortgage / charge on the land, the Branch should be content with a second charge for the converted term loan. ✓ The Branch should not insist on third party guarantees for providing conversion facilities.

Loans for purchase of Renewable Energy Equipment for Agriculture

Sl.	Particulars	Guidelines
1.	Eligibility	The farmer should have adequate land with source of water. In case any Public / Government source is being used, water right certificate from the concerned authority should be produced.
2.	Types of facilities available	Term Loan
3.	Purpose	For Installation of Solar water pumping system.
4.	Components	○ Solar PV panel One of the following motor-pump sets compatible with the photovoltaic array: ○ Surface mounded centrifugal pump set ○ Submersible pump set ○ Floating pump set ○ Submersible pump set ○ Any other type of motor-pump set, after approval from MNRE
7.	Quantum of finance	75% of the cost of the equipment (Maximum loan amount of Rs. 10.00 Lakhs)
8.	Margin Norms	25%

9.	Repayment Period	Minimum of 5-7 years
10.	Processing fee & other charges	Term Loan: Upto Rs. 25000/- : NIL Above Rs. 25000 : 0.50% of the limit sanctioned All other charges: As per circular on service charges related to Agri advances issued from time to time.
11.	Rate of Interest	Upto Rs 3.00 lacs: 1 Yr MCLR + 2.50% Above Rs.3.00 lacs & upto Rs.10.00 lacs: 1 Yr MCLR + 2.75%
12.	Security Norms	Hypothecation of equipments and mortgage of land as per extant guidelines for Agriculture Advances.
13.	Documentation	As per Documentation manual

"IND KISAN SAUR SHAKTHI (PM-KUSUM)"

- Ministry of New and Renewable Energy (MNRE) has launched the **Pradhan Mantri Kisan Urja Suraksha evem Utthan Mahabhiyan** (**PM KUSUM**) Scheme for farmers for installation of solar pumps and grid connected solar and other renewable power plants in the country.
- The scheme was launched by the Government of India to increase the income of farmers and provide sources for irrigation and de-dieselising the agricultural sector.
- The Cabinet had approved scaling-up of solar power target from 20,000 MW of Grid Connected Solar power Projects to 1,00,000 MW by 2022.
- As a part of Intended Nationally Determined Contributions (INDCs), India has committed to increase the share of installed capacity of electric power from non-fossil-fuel sources to 40% by 2030.
- The scheme aims to add solar and other renewable capacity of 25,750 MW by 2022 with total central financial support of Rs.34422.00 crore including service charges to the implementing agencies.
- Under PM KUSUM Yojana, farmers, group of farmers, panchayats, cooperatives can apply to install solar pumps. The total cost included in this scheme is divided into three categories in which the government will help the farmers.
- Under PM Kusum, The government will provide 60% subsidy to the farmers. Loan Component of 30% only to be financed by the Bank.
- Farmers will only have to pay 10% of the total cost of the project. Farmers can sell electricity generated from solar panels.
- The money received after selling electricity can be used to start a new business

IND KISAN SAUR SHAKTHI (PM-KUSUM)		
Sl. No	Particulars	**Guidelines**
1.	Objective	Under PM Kusum Yojana, farmers, group of farmers, panchayat, co- operative societies can apply to install a solar pump. The total cost involved in this scheme is divided into three categories in which the Government will help farmers. Government will provide a subsidy of 60% to farmers and 30% of the cost will be given by Bank in the form of loans. Farmers will only have to give 10% of the total cost of the project. The electricity generated from the solar panel can be sold by farmers for monetary benefits. This electricity can also be used for other purposes and businesses.

2.	Target Group	Individual farmers, group of farmers, cooperatives, panchayats, Farmer Producer Organisations (FPO), Water User Associations (WUA), Sole Proprietor & Partnership Firm etc., In case the farmers/ group of farmers/ cooperatives/ panchayats / Farmer Producer Organizations (FPO)/ Water User associations (WUA) etc. are not able to arrange equity required for setting up the REPP, they can opt for developing the REPP through developer(s) or even through local DISCOM, which will be considered as RPG (Renewable Power Generator) in this case and form a part of the Target Group subject to other covenants as per the scheme
3.	Type of Facility proposed	**Component-A :** Term Loan Bank Guarantee against 100% cash margin **Component-B & C :** Term Loan
4.	Scheme Components	**Component-A** for Setting up of 10,000 MW of Decentralized Grid Connected Renewable Energy Power Plants on barren land / uncultivable land/ Pastureland and Marshland backed by PPA (Power Purchase Agreement) with Distribution Companies (DISCOM). Under this component, Renewable Energy based Power Plants (REPP) of capacity 500 kW to 2 MW will be setup by individual farmers/ group of farmers/ cooperatives/ panchayats/ Farmer Producer Organisations (FPO)/Water User Associations (WUA)/ Sole Proprietor/ Partnership Firm on barren/fallow land. These power plants can also be installed on cultivable land on stilts where crops can also be grown below the solar panels. The renewable energy power project will be installed within five km radius of the sub-stations in order to avoid high cost of sub- transmission lines and to reduce transmission losses. The power generated will be purchased by local DISCOM at pre-fixed tariff **Component-B** (Installation of 17.5 lakh Stand alone Solar pumps) for Installation of 17.50 Lakh stand-alone solar agriculture pumps: Under this Component, farmers will be supported to install standalone solar Agriculture pumps of capacity up to 7.5 HP for replacement of existing diesel Agriculture pumps / irrigation systems in off-grid areas, where grid supply is not available. Pumps of capacity higher than 7.5 HP can also be installed, however, the financial support will be limited to 7.5 HP capacity. **Component-C** (Solarisation of 10 lakh Grid connected Agriculure Pumps) for Solarisation of 10 Lakh Grid Connected Agriculture Pumps: Under this Component, farmers having grid connected agriculture pump will be supported to 3olarize pumps. The farmer will be able to use the generated solar power to meet the irrigation needs and the excess solar power will be sold to DISCOMs at pre-fixed tariff. Central Financial Assistance (CFA) will be limited to Solar PV capacity up to two times of pump capacity in kW for pumps up to 7.5 HP. Solarisation of Pumps of capacity higher than 7.5 HP may be allowed, however, the CFA will be limited upto 7.5 HP in the respective State/Uts. **Component – B & Component C** are eligible for bank finance under our Bank product, Central Financial Assistance (CFA) of 30% of the benchmark cost or the tender cost, whichever is lower, of the stand- alone solar Agriculture pump will be provided. The State Government will give a subsidy of 30%; and the remaining 40% will be provided by the farmer. Bank finance may be made available for farmer’s contribution, so that

		farmer has to initially pay only 10% of the cost and remaining up to 30% of the cost as loan. In case the State Government provides subsidy more than 30%, the beneficiary share will reduce accordingly.

Features	Central Financial Assistance	State Government Subsidy	Margin	Loan Component
Component B & C	30%	30%	10%	30%*

***Subsidy will be released for Purchase and Installation of the models for only MNRE selected vendors (Channel Partner). As per the scheme 10% will be borne by Beneficiary. Loan Component of 30% only to be financed by the Bank.**

MNRE discovered prices comprehensively include costs of Solar panels, its accessories, Pump sets and accessories.

Example: Agricultural Pump prices discovered for Component B of PM – KUSUM by MNRE for the State of Tamilnadu are as follows: Submersible Pump (Water filled type) with 7.5 H.P loads by installing 11 kW solar PV plant in the State of Tamilnadu. MNRE discovered costs are Rs. 2,91,000/-.

Project Cost	Rs. 2,91,000/-
Central Financial Assistance	Rs. 87,000/-
State Government Subsidy	Rs. 87,000/-
Promoter Margin	Rs. 29,000/-
Loan Component	Rs. 87,000/-

Components under discovered costs are as follows

1.	Solar Panel
2.	Solar Drive
3.	Solar Panel Structure
4.	Bore pump
5	UPVC pipe
6.	Wire 3 Core
7.	Wire and pump accessories

5	Quantum of finance	**Component-A :** Project cost should be in accordance with the cost as prescribed by MNRE/State Govt. from time to time. Maximum 70% of the project cost (LTV @70%) **Maximum Loan Component under the Scheme shall be restricted to Rs. 10.00 Crores.** **Component-B & C :** ✓ Prices as discovered by Ministry of New and Renewable Energy for States as ported in https://mnre.gov.in/solar/schemes/ thereafter select “solar offgrid” and under it select PM-KUSUM are exhaustive ✓ Loans upto Rs. 10.00 lakhs will be treated as priority sector advances (Individual Household). Project cost should be in accordance with the cost as prescribed by MNRE/State Govt. from time to time. ✓ Component B: Submersible Pump (Water filled type/ Oil filled type), Surface Pump, Solar Pump Controller, 10 HP Solar Pumps EESL scheme, etc., ✓ Component C: For grid connected systems, quantum of loan shall be as

		prescribed by state government & MNRE guidelines from time to time. ✓ **Subsidy will be released for Purchase and Installation of the models for only MNRE (Ministry of New and Renewable Energy) selected vendors.**
6	Margin Norms	**Component-A :** RPG Contribution : 30% of the project cost (Equity minimum) : At least 50% of the promoter's contribution to be brought in upfront. Disbursement pro-rata between debt and equity. However, RPG should infuse their entire equity before the debt level reaches 75% of the total debt component. **Component-B & C :** Minimum 10%.
7	Repayment Period	**Component-A :** The Repayment period of the loan will be based on the estimated revenue from power Generation, with maximum period 15 year including moratorium period (Maximum moratorium period 12 months). Repayment frequency will be monthly/quarterly based on cash flow as per the Tripartite agreement with the DISCOM and revenue generated from the Power plant and other income of the farmer. **Component-B & C :** Maximum of 5 years,
8	Holiday Period	**Component-A** : Maximum of 12 months post Commercial Operation Date (COD) COD shall be mentioned in the proposal at the time of sanction of credit facilities **Component-B & C :** Maximum of 6 months
9	Processing & other charges	Processing Charges : Upto Rs.25000/ : Nil above Rs.25000/-: 0.50% of the limit sanctioned + Applicable GST (All other charges: As per circular on service charges related to Agri advances issued from time to time)
10	Rate of Interest	**Component-A** : For Limits up to Rs. 25.00 Lakhs: MCLR (1Y) + Spread (1.65%), effectively, 9.20% Monthly Rest For Limits above Rs. 25.00 Lakhs up to Rs. 100.00 Lakhs: MCLR (1Y) + Spread (1.90%), effectively, 9.45% Monthly Rest For Limits above Rs. 100.00 Lakhs (Linked to RAM rating): **Component-B & C :** Upto Rs 3.00 lacs: 1 Yr MCLR + 2.50% Above Rs.3.00 lacs & upto Rs.10.00 lacs: 1 Yr MCLR + 2.75%
11	Subsidy/ Grant	**No Subsidy /Grant available under Component A** **Component-B & C :** ➢ Central Financial Assistance (CFA) of 30% of the benchmark cost or the tender cost, whichever is lower, of the stand-alone solar Agriculture pump will be provided. The State Government will give a subsidy of 30%; and the remaining 40% will be provided by the farmer. ➢ In case the State Government provides subsidy more than 30%, the beneficiary share will reduce accordingly. ➢ However, in North Eastern States, Sikkim, Jammu & Kashmir, Himachal Pradesh and Uttarakhand, Lakshadweep and A&N Islands, CFA of 50% of the benchmark cost or the tender cost, whichever is lower, of the solar PV component will be provided. The State Government will give a subsidy of 30%; and the remaining 20% will be provided by the farmer. ➢ Bank finance may be made available for farmer's contribution, so that farmer has to initially pay only 10% of the cost and remaining up to 10% of the cost as loan. In case the State Government provides subsidy more than 30%, the beneficiary share will reduce accordingly.

12	Security Norms	**<u>Component A :</u>** **Primary:** ✓ Mortgage of Project Land and Building (except forest land). ✓ Hypothecation of Plant & Machinery ✓ Hypothecation of Receivables based on Tripartite Agreement with DISCOM and farmer backed by ESCROW arrangement under firm PPA. **Collateral:** ✓ Assignment of PPA. ✓ 100% cash margin for BG facility ✓ For proposals up to Rs. 2.00 Crores to be covered under CGTMSE. For proposals over and above Rs.2.00 Crores, hybrid model security can be considered. In that case, disbursement shall be subject to premium payment & CGPAN generation (Subject to compliance of CGTMSE guidelines) ✓ Personal /Corporate Guarantee (as the case may be) of the• Proprietors/Partners /Promoters /Directors /Parent Company etc **<u>Component-B & C :</u>** **Primary:** Hypothecation of charge on assets created out of Bank finance. **Collateral:** No collateral should be obtained for limit up to Rs. 1.60 Lakhs. Minimum Security Coverage Ratio of 1.20 should be maintained at all times. **Guarantee:** Suitable third party guarantee may be obtained depending upon the loan amount.
13	Documentation	As per Documentation manual
		Component-A :
14	Ratios	Debt Equity Ratio – 4:1 DSCR - Average: 1.50 Minimum: 1.25 Fixed Asset Coverage Ratio (FACR) in average – 1.20 (Minimum) Interest Coverage Ratio Acceptable level : 1.50
15	Land	The entire parcel of land required for the project should be in the possession of the farmer/applicant
16	Cost over-run support	Entire cost overrun should be funded by the borrower/promoters (To be specified in the sanction).
17	Statutory Clearances	All Government guidelines/Statutory Approvals/Clearances required for setting up power plant including Environmental clearance to be obtained. The clearance may vary from state to state. However, the indicative list may include the following approvals/ clearances: - 1.Change of land use & NOC from Pollution Control Board 2.Project approval from State Agency for setting up the plant: 3. Environmental /Forest Dept. Clearances 4. Factory Related Licenses 5. NOC from District Authorities if required any 6.Grid Connectivity Agreement with the Discom/ authority Concerned The required clearances /approvals should be in place before disbursement of 1st tranche of the sanctioned credit facilities
18	Power Purchase Agreement (PPA)	PPA with Long term off take arrangement of 25 years with a DISCOM should be in place before disbursal of 1st tranche of the loan. PPA should be executed on the basis of model PPA agreement provided by MNRE and should be legally vetted by legal

		department/empaneled advocate to safeguard the Bank's interest. **No deviation is permitted**
19	Evacuation Facility	It is to be ensured by operating unit that adequate evacuation infrastructure is in place/ will be put in place with the advancement of the project implementation. The power evacuation facilities should be in place before Scheduled COD (SCD) of the project so as to facilitate grid synchronization of the plant as per the envisaged commissioning schedule. The evacuation arrangement should be assessed critically, as any delay in this would render delay in project COD, thereby affecting project viability. It may be stipulated that the entire evacuation arrangement should be in place before say 75-80% disbursement is made.
20	Debt Service Reserve Account (DSRA)	Equivalent to 3months principal and interest (minimum) in the form of FDR/TDR. **No deviation is permitted.**
21	Disbursement	Credit proposal is sanctioned based on LOA; first disbursement should be made only after receiving Power Purchase Agreement (PPA) with Long term off take arrangement of 25 years with a DISCOM. PPA should be executed on the basis of model PPA agreement provided by MNRE and should be dully vetted by our law department of ZO/FGMO/CO to safeguard the Bank's interest. • Disbursement should be made after compliance of sanction terms and documentation. • The Facility to be disbursed in tranches solely linked to stage of construction/implementation. • The Disbursement will be made directly to the MNRE approved manufacturers /suppliers of the systems in order to ensure only quality systems are installed, prevailing MNRE/BIS specifications and quality control orders applicable for solar modules, inverters, Balance of System (BoS) and other equipment after ensuring promoter's margin • The Borrower/Renewable Power Generator (RPG) shall commission the Solar Plant with the full project capacity within 12 months from the date of issuance of the Letter of Award (LoA) • As such Due Care to be ensured in disbursement of Limit in Stages based on the Construction Cost.
22	Sector Classification	Farm Credit – Agriculture ✓ The disbursements under the scheme are eligible to be categorized under PSL up to aggregate sanctioned limit of Rs.100 Cr per borrower ✓ If RPG is Developer or Local Discom or others Bank loans up to a limit of ₹30 crores shall be classified under Priority Sector - Renewable Energy
23	Insurance	The Project Assets charged to the Bank shall be insured comprehensively against appropriate risks, including force majeure events both during and after the construction period, till the term loan is outstanding with the appropriate bank clause incorporated.
24	Operations & Maintenance (O&M)	Long term O&M arrangement for maintenance of plant is to be in place. Provision for O&M reserve for replacement of inverter after 7-8 years should be made before allowing withdrawal of funds from ESCROW account.
25	Commissioning	The selected RPG shall commission the solar power plant within twelve months (increased from nine months vide MNRE memorandum dated 13.11.2020) from date of issuance of Letter of Award (LoA) by DISCOM or any agency authorised by DISCOM. The RPG may commission the REPP during this period of twelve months and the DISCOM is obliged to purchase power from that commissioned REPP any time after the issuance of LoA.

		A duly constituted Committee of DISCOM officials (Commissioning Committee) will physically inspect the plant in not more than 3 days from the date of receiving a call from the RPG and certify successful commissioning of the plant. In case any RPG fails to achieve this milestone, DISCOM shall encash the performance Bank Guarantee
26	Other Conditions	**Component A** 1. The Selection of Beneficiaries and implementation of scheme would be as per criteria specified by State Implementation Agencies /MNRE from time to time. 2. Pre sanction survey and due diligence of applicant as per bank norms. 3. IDO visit/ TEV as applicable. 4. All other norms and guideline as per bank policies. 5. Financing to individual farmers to be done with administrative approval of respective FGMCAC considering merits on case-tocase basis. 6. The REPP will be preferably installed within five km radius of the sub-stations in order to avoid high cost of sub-transmission lines and to reduce transmission losses. 7. Availability of Water: Water is mainly required for cleaning Solar PV Modules and maintaining optimum efficiency of modules in case of solar power projects. 8. As a payment security measure, a Tri-partite agreement/ESCROW arrangement may be entered among DISCOM, RPG and the Bank, wherein the DISCOM shall deposit/remit the tariff payable to RPG directly to the Account maintained with the Bank for the purpose. The Bank shall appropriate funds from this account towards payment of interest and installments /other Bank charges for the TL given and for maintenance of DSRA and O&M Reserve. The funds from this account will also be used to meet operating expenses, statutory liabilities, taxes etc. related to the project. Tripartite agreement to be vetted by Banks legal department. 9. The entire parcel of land required for the project should be in the possession of the farmer/applicant. 10.Entire cost overrun should be funded by the borrower/promoters. 11.The PPA shall be for a period of 25 years from the date of COD of the project. 12.The Standard PPA to be executed post issuance of Letter of Award (LoA) favoring the RPG has been given by Ministry of New &Renewable Energy and additional clauses /modifications within the ambit of the scheme is being done at State Level depending on varying CUF, based on solar radiation zones, Capacity Sanctioned for the respective State and other factors. 13.The PPA has to be vetted by Legal Department at ZO/FGMO on a case to case basis for any onerous clauses, qualifications etc. 14.All other terms and conditions as stipulated by Pradhan Mantri Kisan Urja Suraksha Evam Utthan Mahabhiyan (PM KUSUM) and Ministry of New and Renewable Energy (MNRE) from time to time. 15.In case any ambiguity in interpretation of any of the provisions of these guidelines, the decision of Ministry will be final. **Component B & C** o Credit Information Company Score (CIBIL / CRIF Highmark etc.) of the applicant to be extracted; No minimum score is stipulated for this product. However, NPA / write off, if any in the report, such application/s should not be considered. Can be referred to respective ZLCC. o No Minimum Scoring (internal scoring) is applicable. o Disbursal of funds to beneficiaries under this scheme shall be in Aadhar linked bank account. o Projects for installation of solar Agriculture pumps systems shall be completed within 12 months from the date of sanction by MNRE.

		- Insurance to be taken for assets created out of the loan / assets held as security as per guidelines from time to time. - The scheme is available only for Solar Pump Sets installed through MNRE empanelled vendors. - Unique identification number for each system should be printed on each component of the system and should be mentioned in the bill of materials as well. - Financing Component B & C of PM KUSUM falls under Farm Credit Individual farmers - Repaying capacity of the applicant should be ensured based on the latest financial documents / Income proof. - All other terms and conditions as stipulated by Pradhan Mantri Kisan Urja Suraksha Evam Utthan Mahabhiyan (PM KUSUM) and Ministry of New and Renewable Energy (MNRE) from time to time. - All guidelines issued from time to time and Credit Policy to be complied with.

IND- KRISHI INFRA FUND (AIF)

Sl. No	Particulars	Guidelines
1.	Background & Scheme Guidelines	➢ The role of infrastructure is crucial for agriculture development and for taking the production dynamics to the next level. It is only through the development of infrastructure, especially at the post harvest stage that the produce can be optimally utilized with opportunity for value addition and fair deal for the Farmers. Development of such infrastructure shall also address the vagaries of nature, the regional disparities, development of human resource and realization of full potential of our limited land resource. ➢ Hon'ble Finance Minister has announced on 15.05.2020 Rs 1 lakh crore Agri Infrastructure Fund for farm-gate infrastructure. Financing facility of Rs. 1,00,000 crore will be provided for funding Agriculture Infrastructure Projects at farm-gate & aggregation points. ➢ Accordingly Department of Agriculture, Cooperation & Farmers' Welfare (DAC & FW) has formulated CENTRAL SECTOR SCHEME OF FINANCING FACILITY UNDER 'AGRICULTURE INFRASTRUCTURE FUND' ➢ Keeping in view the importance a separate product is proposed
2.	Target Group	Primary Agriculture Cooperative Societies(PACS), Farmer Producer Organisations (FPOs), Marketing Cooperative Societies, Self Help Groups (SHG), Farmers, Joint Liability Groups(JLG), Multipurpose Cooperative Societies, Agriculture entrepreneurs, Startups and Central/State Agency or Local Body sponsored Public Private Partnership Projects
3.	Purpose	**Post Harvest Management Projects:** 1. Supply chain services including e-marketing platforms, 2. Warehouses, 3. Silos, 4. Pack houses, 5. Assaying units, 6. Sorting, &grading units, 7. Cold chains,

8. Logistics facilities,
9. Primary processing centres,
10. Ripening Chambers

Viable projects for building community farming assets:

1. Organic inputs production,
2. Bio stimulant production units,
3. Infrastructure for smart and precision agriculture
4. Nursery
5. Tissue culture
6. Seed Processing
7. Custom Hiring Center –farm machinery/ implements (minimum 4 in quantity) •
8. Farm/Harvest Automation (combine harvester, sugarcane harvester, boom sprayers etc.)
9. Standalone solar pumping system (PM-KUSUM component B)
10. Solarization of grid connected agri-pump under (PM-KUSUM component C)
11. Integrated Spirulina production & processing units
12. Sericulture processing
13. Infrastructure for smart and precision agriculture.

(I) The following projects for individual beneficiaries as well as Farmers 'Communities such as FPOs, PACS, SHGs, JLGs, Cooperatives, National and State Level Federation of Co-operatives, FPOs federations, Federations of SHGs, National and State Level Agencies etc. as these are for the benefit of community.

a. Farm/Harvest Automation
b. Purchase of drones, putting up specialized sensors on field, Blockchain and AI in agriculture etc.
c. Remote sensing and Internet of Things (IOT) such as automatic weather station, Farm advisory services through GIS applications

(II) Only for FPOs, PACS, SHGs, JLGs, Cooperatives, National and State Level Federation of Co-operatives, FPOs federations, Federations of SHGs, National and State Level Agencies etc as they qualify as community farming assets.

1. Hydroponic Farming – Hydroponics is a type of horticulture and a subset of hydro culture which involves growing plants without soil, by using mineral nutrient solutions in an aqueous solvent.
2. Mushroom farming – Mushroom Spawn, preparing of compost, Spawning of mulch, Casing, mushroom production, harvest and supply chain infrastructure
3. Vertical farming – It is the practice of growing crops in vertically stacked layers. It often incorporates controlled-environment agriculture, which aims to optimize plant growth, and soil-less farming techniques
4. Aeroponic farming- It is the process of growing plants in an air or mist environment without the use of soil or an aggregate medium.
5. Poly house/ Greenhouse – It is a technique where specialized polythene sheet is used as a covering material under which the crops can be grown in partially or fully controlled climatic

		conditions 6. Logistic facilities 7. Tractors 14. Projects identified for providing supply chain infrastructure for clusters of crops including export clusters. 15. Projects promoted by Central/State/Local Governments or their agencies under PPP for building community farming assets or post-harvest management projects.
4.	Type of Facility proposed	Term Loan
5.	Quantum of finance / Assessment	Based on Project cost
6.	Margin Norms	Term Loan: 25% (Minimum) (Any grant or subsidy available under any present or future scheme of Central/State Government can be availed for projects under this financing facility. In cases of capital subsidy such amount shall be considered as promoter's contribution. However , a minimum of 10% of the project cost shall be mandatory as promoter's contribution)
7.	Repayment Period	Maximum 7 years (including holiday period)
8.	Holiday Period	Minimum of 6 months and Maximum of 2 years
9.	Processing & other charges	Processing Charges : Upto Rs.25000/ : Nil Above Rs.25000/-: 0.50% of the limit sanctioned + Applicable GST (All other charges: As per circular on service charges related to Agri advances issued from time to time)
10.	Rating of account	RAM is mandatory for exposure above Rs.100.00 Lakh
11.	Interest Subvention	All loans under this financing facility will have interest subvention of 3% per annum up to a limit of Rs. 2 crore. This subvention will be available for a maximum period of 7 years. In case of loans beyond Rs.2 crore, then interest subvention will be limited up to 2 crore.
12.	Credit Guarantee	Credit guarantee coverage will be available for eligible borrowers from this financing facility under Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE) scheme for a loan up to Rs. 2 crore. The fee for this coverage will be paid by the Government. In case of FPOs the credit guarantee may be availed from the facility created under FPO promotion scheme of DACFW
13.	Rate of Interest	Upto Rs 2.00 Crores; MCLR 1 Yr + 1.00% subject to a maximum of 9%. Above Rs 2.00 Crores - Linked to Internal (RAM) Rating of borrowers

14.	Security Norms	✓ Hypothecation of assets created out of Bank Finance. ✓ Mortgage of land & building ✓ Collateral security in the form of FD, NSC, LIC Policies. ✓ Equitable Mortgage of immovable properties ✓ Guarantee: Personal guarantee of partners/directors. ✓ Credit Guarantee cover is mandatory. ✓ For extending credit facilities with collateral security for this product, guidelines issued by CO:MSMED - Master Circular on Credit Guarantee Fund Scheme For Micro And Small Enterprises (CGTMSE) & updations on CGTMSE guidelines from time to time to be adhered. ✓ Other banks extant guidelines on security coverage to be adhered. (Credit Policy from time to time)
15.	Documentation	As per Documentation manual
16.	Other details	✓ Disbursal of funds to beneficiaries under this scheme shall be in Aadhar linked bank account ✓ Any grant or subsidy available under any present or future scheme of Central/State Government can be availed for projects under this financing facility ✓ Insurance to be taken for assets created out of the loan / assets held as security as per guidelines from time to time. ✓ Units should be inspected at least once in a quarter and condition of the working of the unit should be recorded. ✓ All guidelines as in Scheme Guidelines for CENTRAL SECTOR SCHEME of Financing facility under 'Agriculture Infrastructure Fund' implemented by GOI to be adhered. ✓ The National, State and District Level Monitoring Committees will ensure real-time monitoring and effective feed-back about the implementation of the proposed scheme. All assets created under this financing facility shall be geo tagged and our bank branches to ensure that updated information on such geo tagged assets is available on the online portal. ✓ Interest subvention and credit guarantee support will be released to Banks and lending institutions through PFMS (Public Financial Management System). ✓ All guidelines issued from time to time and Credit Policy to be complied with.

IND PASHUDHAN MITRA

Under "Atmanirbhar Bharat" package stimulus Hon'ble Prime Minister of India mentioned about setting up of Rs. 15000 Cr. Animal Husbandry Infrastructure Development Fund (AHIDF). The Animal Husbandry Infrastructure Development Fund (AHIDF) has been approved for incentivizing investments by Individual Entrepreneurs, Private Companies, MSME, Farmer Producer Organizations (FPOs) and section 8 companies, (Nonprofit entities) to establish

(i) The Dairy processing and value addition infrastructure.
(ii) Meat Processing and value addition infrastructure
(iii) Animal Feed plant.

Accordingly, Ministry of Fisheries, Animal Husbandry and Dairying, Department of Animal Husbandry and Dairying has formulated the scheme and issued implementation guidelines for "Animal Husbandry Infrastructure Development Fund (AHIDF)"
A separate product Viz., "**IND PASHUDHAN MITRA**" has been launched for financing under the scheme.

Sl. No	Particulars	Guidelines
1.	Target Group	Individual Entrepreneurs, Private Companies, MSME, Farmer Producer Organizations (FPOs) and Section 8 Companies (Nonprofit entities)
2.	Purpose	✓ **Dairy Processing** ✓ **Value added dairy product manufacturing** ✓ **Meat processing and value addition facilities** ✓ **Animal Feed manufacturing units**
3.	Type of Facility proposed	Term Loan
4.	Quantum of finance / Assessment	Term Loan: Based on Project cost. Loan under AHIDF shall not be provided for acquisition of land in any manner such as purchase, transfer, lease, accession/addition etc.,
5.	Margin Norms	Micro and Small units: 10% Medium Enterprises: 15% Other categories: 25%
6.	Repayment Period	Maximum 10 Years (including holiday period maximum of 2 years)
7.	Holiday Period	Maximum of 2 years
8.	Processing & other charges	Processing Charges : Upto Rs.25000/ : Nil above Rs.25000/-: 0.50% of the limit sanctioned + Applicable GST (All other charges: As per circular on service charges related to Agri advances issued from time to time)
9.	Rating of account	RAM is mandatory for exposure above Rs.100.00 Lakh
10.	Interest Subvention	**Loans under this financing facility are eligible for interest subvention of 3% per annum**. ✓ The Department will pay Interest Subvention amount in advance/ upfront to the lending bank for the first year on request of the scheduled bank. ✓ Interest subvention from second year onwards would be released based on Non NPA borrowers entitlement claimed by the scheduled bank every year in advance. ✓ Defaulter of repayment of loan in any given year will not be eligible for Interest Subvention. ✓ Interest subvention will not be allowed for the loan sanctioned for procurement of Land, working capital, old machineries and vehicle for personal use.
11	Credit Guarantee	**Credit guarantee coverage will be available for eligible borrowers from this financing facility under AHIDF, subject to maximum of 25% of Credit facility only for MSME defined ceilings i.e., MSME defined categories.,**
12	Rate of Interest	**For Accounts falling within MSME Ceilings:** Applicable ROI - irrespective of Ratings – Repo + Spread **For Accounts not falling within MSME defined Ceilings:** Linked to Internal Ratings

13	Security Norms	✓ Hypothecation of assets created out of Bank Finance. ✓ Equitable Mortgage of land & building/ Immovable properties. ✓ Collateral security in the form of FD, NSC, LIC Policies. ✓ Equitable Mortgage of immovable properties ✓ Guarantee: Personal guarantee of partners/directors. ✓ Minimum Security Coverage Ratio of 1.20 should be maintained at all times. ✓ For accounts within MSME Defined Ceilings: ✓ Credit Guarantee cover is available for 25% of the credit facility under this AHIDF scheme.
14	Documentation	As per Documentation manual
15	Other details	✓ Insurance to be taken for assets created out of the loan / assets held as security as per guidelines from time to time. ✓ Units should be inspected atleast once in a quarter and condition of the working of the unit should be recorded. ✓ All statutory approvals to be held as per the scheme. ✓ All guidelines issued from time to time and Credit Policy to be complied with.

IND Micro Food Processing Enterprises- (PMFME)- Individual" & "IND Micro Food Processing Enterprises- (PMFME)- Group

The unorganized food processing industry in India faces challenges that limit its development and weakens the performance. These challenges include:

(a) Lack of productivity and innovation due to limited skills and access to modern technology and machinery for production and packaging;
(b) Deficient quality and food safety control systems, including lack of basic awareness on good hygienic and manufacturing practices;
(c) Lack of branding & marketing skills and inability to integrate with the supply chains, etc.;
(d) Capital deficiency and low bank credit. Due to these challenges, the unorganized food processing sector, despite having large number of units and providing large employment contributes much less in terms of value addition and output.

- The scheme is a centrally sponsored scheme that is designed to address the challenges faced by the micro enterprises and to tap the potential of groups and cooperatives in supporting the upgradation and formalization of these enterprises.
- Accordingly Ministry of Food Processing Industries has formulated "Scheme for Formalization of Micro food processing Enterprises (FME)"

Sl.No	Particulars	**Guidelines**
1	Background	The unorganized food processing sector in the country comprises nearly 25 lakh enterprises which are unregistered and informal. With only 7% of investment in plant & machinery and 3% of outstanding credit, the unorganized enterprises contribute to 74% of employment. Nearly 66% of these units are located in rural areas and about 80% of them are family-based enterprises. The unorganized food processing industry in India faces challenges that limit its development and weakens the performance. These challenges include: a. Lack of productivity and innovation due to limited skills and access to modern technology and machinery for production and packaging; b. Deficient quality and food safety control systems, including lack of basic awareness on good hygienic and manufacturing practices; c. Lack of branding & marketing skills and inability to integrate with the supply chains, etc.; d. Capital deficiency and low bank credit. Due to these challenges, the unorganized food processing sector, despite having large number of units and providing large employment contributes much less in terms of value addition and output. In the last decade, Central and State Governments have made intensive efforts to organize farmers in Food Processing Organisations (FPOs) and women's Self Help Groups (SHGs). SHGs have considerable progress in thrift and their repayment record of 97%, NPA level is among the lowest. Governments have made efforts to enable SHGs to undertake various manufacturing and service sector activities including food processing. However, there are few Government schemes to support FPOs and SHGs to make investment and upscale their operations.
2.	Scheme Guidelines	The scheme is a centrally sponsored scheme that is designed to address the challenges faced by the micro enterprises and to tap the potential of groups and cooperatives in supporting the upgradation and formalization of these enterprises. Accordingly Ministry of Food Processing Industries has formulated "Scheme for Formalization of Micro food processing Enterprises (FME)"
3.	Target Group	The existing or new individual Micro Food Processing Enterprises, as well as groups such as SHGs/ FPOs/ Cooperatives would be supported under the scheme for up-gradation of their food processing activities or setting up of new enterprise Enterprise involved in the product identified in ODOP districts would be preferred more
4.	Objective	I. Increased access to credit by existing micro food processing entrepreneurs, FPOs, Self Help Groups and Co-operatives; II. Integration with organized supply chain by strengthening branding & marketing; III. Increased access to common services like common processing facility, laboratories, storage, packaging, marketing and incubation services; IV. Strengthening of institutions, research and training in the food processing sector; and increased access for the enterprises, to professional and technical support.

5.	Purpose	To enhance the competitiveness of existing individual micro-enterprises in the unorganized segment of the food processing industry and promote formalization of the sector; and to support Farmer Producer Organizations (FPOs), Self Help Groups (SHGs) and Producers Cooperatives along their entire value chain.
6	Eligibility norms for covering under PM FME	Individual micro food processing units: 1. Existing micro food processing units, with investment not exceeding Rs.1 crore and turnover not exceeding Rs.5 crore; 2. The enterprise should be unincorporated and should employ less than 10 workers; 3. The enterprise should preferably be involved in the product identified in the ODOP of the district. Other micro enterprises can also be considered; 4. The applicant should have ownership right of the enterprise; 5. Ownership status of enterprise could be proprietary / partnership firm; 6. The applicant should be above 18 years of age; 7. Only one person from one family would be eligible for obtaining financial assistance. The “family” for this purpose would include self, spouse and children; 8. Willingness to formalize and contribute10% of project cost and obtain Bank loan; 9. Cost of the land should not be included in the Project cost. Cost of the ready built as well as long lease or rental Workshed could be included in the project cost. Lease rental of workshed to be included in the project cost should be for a maximum period of 3 years only; 10. The enterprise should have a minimum average turnover of Rs 5 lakh and should be in profits, over the last three years(as measured based on available records); **Farmer Producer Organizations (FPOs) / Producer Cooperatives** 1. The members should have sufficient knowledge. 2. The cooperative/FPO should have sufficient internal resources or commitment from the State Government to meet 10% of the project cost and margin money for working capital. **Eligibility Criteria for Credit Linked Grant for Capital Investment for SHGs:** 1. The SHGs should have sufficient own funds for meeting 10% of the project cost 2. If the State Government is providing grant from the State schemes to SHGs to meet their share, there should be an order of sanction to that effect from the State Government in this regard. **Support for common infrastructure:** Eligibility of a project under this category would be decided based on benefit to farmers and industry at large, viability gap, absence of private investment, criticality to value chain, etc.
7	Type of Facility proposed	**Term Loan**

8	Quantum of finance	Based on the Project Cost Individual Micro Enterprises Group (FPOs, Self Help Groups and Co-operatives): Based on the project cost. As per the scheme guidelines by MOFPI.
9	Subsidy/ Grant	**Individual Micro enterprises** • Credit linked capital subsidy to Micro Food Processing units @ 35% of the eligible project cost, with maximum ceiling of Rs. 10.00 Lakhs per unit. **Group Category** • Credit linked capital investment subsidy @ 35% of the eligible project cost to FPOs/ SHGs/ Cooperatives with maximum ceiling of Rs. 3 Crore Total eligible project cost should not exceed 10 crore Eligible project cot comprises cost of plant & machinery and technical civil work but excludes cost of land/rental or lease work shed. However technical civil work should not be more than 35% of the eligible project cost • Grant @ 35% for common infrastructure development by groups, government agencies or private entities. The subsidy amount would be adjusted against the loan, if the account is standard and the unit is operational after three years from the date of disbursement of the loan. (or) Grant amount would be adjusted by the bank against repayment.
10	Margin Norms	Minimum 10%.
11	Repayment Period	Repayment for commercial activity is to be fixed based on life cycle of the project, on the cash flows, on ballooning basis, or as bullet payment or in EMI. Term Loans – Maximum repayment period allowed is 15 years.
12	Holiday Period	Holiday period is permissible up to a maximum of 12 months, based on cash flows from the chosen economic activity, to be decided by Branch Manager/ Sanctioning Authority.
13	Processing & other charges	Processing Charges : Upto Rs.25000/ : Nil above Rs.25000/-: 0.50% of the limit sanctioned + Applicable GST (All other charges: As per circular on service charges related to Agri advances issued from time to time)
14	Rating of account	RAM rating is mandatory for exposure above Rs.100.00 Lakh
15	Security Norms	**Primary:** Hypothecation of machineries / EM of factory land & building / charge on assets created out of Bank finance. **Collateral:** No collateral should be obtained for limit up to Rs. 10 Lakhs. Minimum Security Coverage Ratio of 1.20 should be maintained at all times. **Guarantee:** Suitable third party guarantee may be obtained depending upon the loan amount.
16	Documentation	As per Documentation manual
17	Other details	✓ Credit Information Company Score (CIBIL / CRIF Himark etc.) of the applicant to be extracted; No minimum score is stipulated for this product. However, NPA / write off, if any in the report, such application/s should not be considered. Can be referred to respective

		ZLCC. ✓ **All existing food processing units are eligible under the scheme.** ✓ Credit Guarantee Fund Trust for Micro & Small Enterprises (CGTMSE) for collateral free loan up to Rs 2 crore & PM MUDRA Yojana for loan up to Rs.10 lakh to be covered as per the eligibility norms. SHGs for limits above Rs. 10.00 Lakhs and for limits upto Rs.20.00 lakhs to be covered under CGFMU. ✓ Insurance to be taken for assets created out of the loan / assets held as security as per guidelines from time to time. ✓ Monitor the progress of the scheme through the portal and through effective dashboard monitoring will be done by MOFPI. ✓ Branding and Marketing support will be extended by State Nodal Agency. ✓ All guidelines as specified by Prime Minister Formalization of Micro Food Processing Enterprises (PM FME) to be complied. ✓ All guidelines issued from time to time and Credit Policy to be complied with.

CONVERGENCE UNDER PM FORMALISATION OF MICRO FOOD PROCESSING ENTERPRISES (PMFME) SCHEME WITH AGRICULTURE INFRASTRUCTURE FUND (AIF) SCHEME.

A Standard Operating Procedure (SOP) was signed on 1st August 2022 with Agriculture Infrastructure Fund (AIF) Scheme under Ministry of Agriculture (MoA) with the aim to provide maximum benefit to the beneficiaries under PMFME Scheme and the convergence portal was launched on 21st September 2021.

The beneficiaries under PMFME Scheme seeking credit linked subsidy would be able to avail additional benefit of Interest Subvention @3% on the interest rate charged by the banks apart from the 35% subsidy being provided under PMFME Scheme

For the ease of approval of projects under both the scheme, AIF MIS portal has been modified for acceptance of application from the beneficiaries / banks under PMFME scheme. The PMFME beneficiaries would be able to get the benefit of Interest Subvention on AIF portal with the same DPR approved under PMFME along with the following information:

- ✓ Application Id generated under PMFME scheme
- ✓ Sanction Letter
- ✓ Approved DPR of PMFME Scheme
- ✓ Information of Primary and Secondary processing activities with cost

Similarly, AIF beneficiaries eligible under PMFME Scheme could seek additional benefit of subsidy by applying in the PMFME MIS portal with the sanction letter under AIF and DPR

Scheme for Financing Compressed Bio-Gas (CBG) Plants under Sustainable Alternative towards Affordable Transportation (SATAT).

i. The 'SATAT' (Sustainable Alternative Towards Affordable Transportation) scheme on CBG was launched on 1.10.2018 which envisages targeting production of 15 MMT of CBG from 5000 plants by 2023.

ii. Compressed Bio-Gas (CBG) can be produced from waste / Bio-mass sources like agricultural residue, cattle dung, sugarcane press mud, municipal solid waste and sewage treatment plant waste, etc. produce bio-gas through the process of anaerobic decomposition. The bio- gas is purified to remove hydrogen sulfide (H_2S), carbon dioxide (CO_2), water vapor and compressed as Compressed Bio Gas (CBG), which has methane (CH_4) content of more than 90%.

iii. CBG has properties similar to CNG and can be used as a green fuel along with CNG. CBG plants will also produce a bye- product i.e., bio-manure and the same can be utilized in farming sector.

iv. Ministry of Road Transport and Highways, Government of India vide Gazette Notification no. 395 dated 16.06.2015 has permitted usage of CBG for motor vehicles as an alternate to CNG. CBG can be used in vehicles using CNG fuel without any modifications in vehicle.

v. Under SATAT, Indian Oil Corporation Limited, Bharat Petroleum Corporation Limited, Hindustan Petroleum Corporation Limited, Gail India Limited and Indraprastha Gas Limited had invited expression of interest (EoI) from potential entrepreneurs to procure CBG at an assured price. Till January 2021 666 Letter of Intents were issued (LoIs) to entrepreneurs for production and supply of CBG across the country.

SYNOPSIS

- ✓ SATAT was launched by MoPNG, GoI aiming to establish an ecosystem for production of CBG from various waste/biomass sources in the country.
- ✓ CBG Loans to be classified under Agriculture Infrastructure.
- ✓ The loans are arranged to the entrepreneurs who have been awarded with Letter of Intent (LOI) by Oil & Gas Marketing Companies (OMCs) such as IOCL, BPCL, HPCL etc.
- ✓ LOI holder has to execute commercial agreement with OMCs under SATAT scheme.
- ✓ Central Financial Assistance (CFA) is available from Ministry of New and Renewable Energy (MNRE). The developers seeking CFA has to submit proposals to MNRE through Bank/Financial institutions (on BIOURJA portal : https/biourja.mnre.gov.in)

In line with the directions of MoPNG and information received from OMCs wing has framed new scheme viz., Compressed Bio Gas (CBG) Plants.
CBG plants are proposed to be set up mainly through independent entrepreneurs who will be responsible for planning and execution of the projects (including sourcing of raw materials, operation and maintenance of plants) as well as maintaining final product output quantity and quality.

CBG produced at these plants will be transported by the LOI holders through cascades of cylinders to the fuel station networks of OMCs for marketing as a green transport fuel alternative. The 1,500+ CNG stations network in the country currently serves about 32 lakh gas-based vehicles which can be used for the purpose.

The entrepreneurs would be able to separately market the other by-products from these plants, i.e. bio-manure to enhance returns on investment.

The marketing of all the CBG produced through such plants will be through OMCs network, under their respective brand names.

Sl. No	Particulars	Guidelines
1.	Purpose of the scheme	Setting up of Compressed Bio Gas Plant.
2.	Target Group	Individual/ Sole proprietor, Partnership firms, Companies & cooperatives and other constitution of borrowers permissible by Ministry of petroleum and Natural Gas who have been awarded Letter of Intents (LoIs) by Oil Marketing Companies (OMCs) for production and supply of CBG
3.	Type of Facility proposed	Term Loan/Working Capital/ NFB limits as performance Guarantee to Oil Marketing Companies (OMCs)/LC

4.	Objective of the Scheme	✓ Import reduction of natural gas and crude. ✓ Utilization of agricultural residue, cattle dung and MSW for the production of CBG and thus to achieve reduction in emissions and pollution. ✓ A boost towards fulfillment of National commitments in achieving climate change goals. ✓ Providing a buffer against energy security concerns and crude/gas price fluctuations. ✓ Contribution towards Swachh Bharat Mission through responsible waste management ✓ Lowering pollution and carbon emission. ✓ Providing additional source of revenue to the farmers, rural employment and amelioration of the rural economy. ✓ Boost to entrepreneurship and employment.
5.	Classification of Advances	Loans for agriculture infrastructure will be subject to an aggregate sanctioned limit of ₹100 crore per borrower from the banking system. Loans exceeding ₹100 crore per borrower from the banking system to be classified under MSME/Corporate/others as per the extant guidelines of the Bank.
6.	Eligible Products	Compressed Bio Gas plants across India with minimum designed capacity of CBG plant is 2.0 Tons per day
7.	Quantum of finance	**Term loan**: Based on Project cost **Working Capital:** As per Credit Policy guidelines. Limits Upto Rs. 5.00 Crs - Turnover method Limits above Rs. 5.00 Crs - MPBF II Method / Cash Budget Method. **NFB Facilities:** Need based
8.	Margin Norms	Term Loan : 25% (Minimum) Working Capital : 30% (Min) LC: 10% BG:10-25% (Performance Guarantee)
9.	Repayment Period	**Term Loan:** The Term Loan to be repayable in 10-15 years (including moratorium of minimum of 6 months and maximum of 2 years period) Loan amount repayable in Monthly / Quarterly instalments. During moratorium period Interest to be serviced as on when debited **Cash Credit:** To be Renewed Annually / Reviewed Half yearly. Wherever limit is arrived based on cash budget method, seasonal sub limits may be fixed based on the season and commodity.
10.	Holiday Period	Minimum of 6 months and maximum of two years
11.	Processing & other charges	As per circular on service charges related to Agri advances issued from time to time).
12.	Rate of Interest	Up to Rs. 100 lakhs – Similar to agri advances Rs. 100.00 lakhs & Above - Linked to Internal (RAM) Rating of borrowers Further 0.50% Concession in ROI can be extended, wherever collateral security offered is more than 100%. Subject to there shall be no lending below MCLR.
13.	Sanctioning Authority	As per power booklet, upto their Discretionary powers.

14.	Subsidy	As per notification of the Ministry of New and Renewable Energy, Central Finance Assistance (CFA) of Rs 4.00 Crores per 4,800Kg of CBG per day generated from 12,000 cubic meters of Bio gas per day with a maximum of Rs 10.00 Crore per project. The entire CFA will be released to the developer's loan account in the lending financial institution/banks for the purpose of offsetting the loan amount only after successful commissioning of the project, after achievement of Commercial Operation Date (COD). Capital Subsidy received for the Project, if any, should get credited to the Term loan account. The developers seeking Government support for their projects will submit proposals to Ministry through Bank/Financial institutions (on BIOURJA portal: https/biourja.mnre.gov.in).
15.	Security Norms	**Primary:** Hypothecation of stocks / book debts / machineries / EM of factory land & building / charge on assets created out of Bank finance. **Collateral:** Immovable property by way of EM of property & other tangible/liquid securities (MMD/FD/LIC policy etc) belonging to the Borrower/ Guarantor. Personal guarantee/s of Proprietor/ Partners / Directors for all the cases to be ensured to the tune of 80-85 %. Exclusive charge over entire project assets including immovable assets and movable assets. **Guarantee:** Suitable third party guarantee may be obtained depending upon the loan amount. Charge over the Escrow account in favour of the Lenders. Assignment or creation of charge on commercial agreement.
16.	Documentation	As per Documentation manual
17.	ESCROW Account maintainence	CBG plant owner will maintain an ESCROW account. Payment received from the sale of CBG & Bio manure will be received in the ESCROW account. The payment for the ESCROW account will be first released towards principal and interest of the loan amount and then to raw material supplier. The CBG plant owner shall receive the balance amount.
18.	Pre Requisite/ disbursement condition	Execution of agreement between CBG Plant Owner and Oil Marketing Companies (OMC) with important clauses viz. project offtake, price fixation, business model, CBG plant and its operation, commercial supply, Transportation through Cascades, title transfer of CBG, Quantities, Supply Disruption, Quality of CBG, Measurement, Billing and payments, Taxation, Insurance, Marketing of CBG, Compliance with safety and laws, Representations and warranties, Indemnity and liability, Termination of agreement , substitution of rights, Escrow management, etc., to be completed. All the required licences, approvals, Govt. guidelines applicable for setting of CBG plant should be obtained by the CBG plant owner from respective authorities.

19.	Other details	• Branch needs to monitor the borrower account and maintain records of periodical monitoring and actions initiated on observations, if any. • The branch shall ensure proper business linkages for maximum utilization of the financed structure. • The branch shall undertake regular desk and /or field monitoring of the, borrowing units and report should be kept on Banks record. • The repayment will be linked according to the cash flow proposed by the borrower. • Bank reserves the right to inspect the project as and when required. • Where the borrower's place of residence/ business / office or factory does not fall within the same city/ town/ area of operations of the branch, sanction of facility may be considered with the concurrence of next higher authority upto ZLSCC sanctions. • Total credit facilities permitted to a single borrower or a group of borrowers should not exceed the Bank's Internal Prudential Exposure Limits. • All prescribed guidelines relating to application forms, assessment, documentation & monitoring shall be followed. • SARFAESI complaint securities to be obtained. • Project land will not be considered as part of project cost for purpose of Bank finance. • Insurance to be taken for assets created out of the loan / assets held as security as per guidelines from time to time. • Repaying capacity of the applicant should be ensured based on the latest financial documents / Income proof. • The Bank shall exercise necessary due diligence in risk assessment and will adopt diligent appraisal and sanction procedures, including assessment of the loan eligibility and repayment capacity of the borrower. • All other terms and conditions as stipulated by Ministry of Petroleum and Natural Gas/ MNRE for implementation of SATAT/ CBG/ MNRE-Subsidy schemes are applicable from time to time. • All guidelines issued from time to time and Credit Policy to be complied with

"RBD-OPEN TERM LOAN"

This product "Open Term Loan" facility for the Agricultural customers is to meet their additional line of credit / specific facilities to procure / create the assets without delay.

The Open Term Loan (OTL) will enable the customers to pursue need based investment in fixed assets by utilizing the pre-approved Bank finance with flexibility to select the items of fixed assets at a later stage based on their business requirement.

It will also enable the borrowers to negotiate with the suppliers with confidence of availability of credit line in advance. It will further assist in better planning of their expansion, repairs or replacements with flexibility in availment of loan.

RBD-OTL facility is introduced for the customers dealing with Food and Agro Processing Industries as well in order to give additional benefits to the valued customers and to increase Agriculture portfolio.

Sl. No	Particulars	Guidelines
1.	Objective	To enable the existing units financed by our Bank / other Banks for meeting capital expenses related expansion / modernization of their existing business, meeting other business related urgent expenses
2.	Feature	❖ The OTL is a commitment for a funded line of credit by the Bank to existing units to enable them to tie up financial arrangements for expansion of their existing activity which they intend to undertake or are exploring. ❖ The OTL enables the client to firm up with suppliers of machinery and/or vendors of other fixed assets that would be required for the venture. ❖ The OTL is particularly suitable for business such as Rice Millers, Dal Millers, etc. who purchase/acquire machineries on an ongoing basis depending on their orders to be executed. ❖ The OTL is a pre-approved facility, offered to the units along with Fresh/Renewal/Enhancement of existing Credit limit. OTL facility will enable the units to plan their capital expenditure and procure machinery at an early stage, though the loan can be availed at later date when the specific requirement will arise. ❖ The main feature of the product is that the units can avail of the loan any number of times, within 12 months of sanction without exceeding the sanctioned limit.
3.	Target Group	All Food Processing Units engaged in Agricultural activity.
4.	Eligibility	Eligible Customers – Existing & New Borrowers having units under operation A. **Existing Units financed by our Bank**: ▪ Units should be incorporated / functional as a business- entity for a minimum period of 2 years. ▪ Satisfactory track record without any default in the past (not reported SMA-01 during last one year & SMA-02 during last 2 years) ▪ Profit generating unit for at least last one year. B. **Existing Units financed by Other FI / Banks (in case of Take-over)**: ▪ Units should be incorporated / functional as a business- entity for a minimum period of 3 years. ▪ The account should be a standard asset in the books of existing lender (not reported SMA-01 during last one year & SMA-02 during last 2 years) ▪ Account should not have been re-phased / restructured by the existing FI / Bank during last three years. ▪ The Unit should have a track record of uninterrupted net profit during last 2 years. ▪ OTL facility will be reckoned within generally acceptable additional exposure in case of takeover.

5.	Quantum	▪ **Upto 20% of TL or CC (whichever is higher)** with our Bank ▪ **Minimum: Rs. 0.01 Crore and** ▪ **Maximum: Rs. 5.00 Crore** (at field level, upto FGMCAC) ▪ At CO level, COLCC (GM) & above, higher amount of need based OTL can be considered subject to ceiling of 20% of TL or CC (whichever is higher) or **Rs. 50.00 Cr. (maximum)**
6.	Security	Primary Security for OTL: Charge on the assets created / to be created out of OTL. Sanctioning Authority shall endeavour, wherever feasible and possible, extension of charge on existing assets / security (including collateral) of the unit being financed. ▪ Personal Guarantee to be explored unless it is specifically waived by the Sanctioning Authority for OTL and / or the main TL/CC limit. Under Sole Banking Arrangement: Exclusive Charge on the assets created / to be created. Under Consortium Arrangement: Sanctioning Authority shall endeavour / explore to have exclusive charge on the specific / identified assets to be created out of OTL. However, where exclusive charge is not feasible / practicable, Sanctioning Authority, on case to case basis, may permit charge on assets on pari passu basis by obtaining NOC/approval of consortium member Banks / recording in consortium minutes (to be subsequently covered in next joint documentation). Security Documents shall be legally vetted and ROC charge will be registered to protect the interest of the Bank.
7.	Margin	Normally – **25**% However, it can vary based on applicability in terms of extant guidelines for specific category of borrowers / Specific Schemes, but not below 10%
8.	Period / Duration	Facility in shape of Term Loan (with Capex LC as sub limit, wherever required), with maximum tenor of 7 years (Door – to - Door) for business purpose loan. The CAC & above can extend the term beyond 7 years on case to case basis based on actual requirement.
9.	Validity	One Year (for starting of disbursement in OTL facility)
10.	Drawing Schedule	Within one year in any number of tranches. (for any tranche, once disbursement starts, subsequent can continue beyond one year)
11.	Repayment Terms	Terms of Repayment: ▪ Moratorium (1-6 months as per prudent judgment) ▪ Repayment to be fixed monthly or quarterly based on cash flows. DSCR calculations should support proposed repayment of loan. Interest: ▪ To be paid as and when due.
12.	Rate of Interest	As per existing guidelines for Term Loan (based on Rating)

13.	Sanctioning Authority	Power to consider OTL is vested with MCB & LCB Head, MAPC, ZLCC and FGMCAC & above. (The aggregate exposure including OTL should fall within the delegated power / discretion at various level.)
14.	Engineer Valuation Report / Legal scrutiny Report	As per existing guidelines for Term Loan, wherever applicable
15.	Processing fees / Other Service Charges	As applicable for Term Loan
16.	Review / Renewal of facilities	One Year (along with review of existing limit)
17.	Documentation	As per existing guidelines for Term Loan. Wherever NOC to be obtained from other Banks / Institutions, 3 months' time period can be given for obtention of NOC by the sanctioning authority.
18.	Other guidelines	▪ OTL facility may be considered at the time of annual review / enhancement or during interim period based on requirement. ▪ Account should be rated as Investment Grade. **IB BBB & above in case of Internal Rating and BB irrespective of + / - & above in case of External Rating, wherever applicable**. ▪ Margin for the loan to be brought separately. ▪ Account should be fully regular (not in SMA 0/1/2) at the time of disbursement of OTL. ▪ OTL proposals to be submitted with projected financial statements for the repayment tenor and DSCR to be computed to ensure repayment capacity. ▪ Direct payment to suppliers with normal due diligence. ▪ Reimbursement of Capex incurred within 6 months supported by bills, can be considered (upto 25% of the sanctioned OTL limit). ▪ The facility shall not be considered for: i) Repayment / Regularization of existing loan i.e. swapping of loans. ii) Purchase of land or any speculative purpose. ▪ End use of fund to be verified in terms of extant guidelines of Bank i.e. by verification through visit of Branch Officials / obtaining CA certificate / Engineer – Valuer report etc. as applicable. ▪ Monitoring Mechanism as applicable for normal Term Loans will also be applicable for this facility. Moreover, the particulars of availing OTL with details of Capex undertaken and Fixed Assets created shall be reviewed /monitored during next / annual review of the account. ▪ OTL can be considered outside consortium. ▪ All other general guidelines as applicable for sanctioning Term Loan will be adhered to.

"IND AGRO MORTGAGE"

The salient features of the IND AGRO MORTGAGE product are as follows:

- Maximum quantum of loan up to Rs.5.00 Cr
- Eligible Entities: All Agro Processing Units, Food Processing Units, Agriculture Infrastructure Development units, Animal Husbandry Infrastructure Development units, Large scale Dairy farm and Poultry farm, Tea Plantation Units, Other large scale Agri units etc.
- Margin - 40% on RSV of the SARFAESI compliant property.
- Eligibility based on DSCR.
- Maximum Tenor – Maximum 120 months (Door to Door tenor)
- ROI – Repo + Spread (floating).

Sl. No	Particulars	Guidelines
1.	Target Group	➢ All Agro Processing Units, Food Processing Units, Agriculture Infrastructure Development units, Animal Husbandry Infrastructure Development units, Large size Dairy farm and Poultry farm, Tea Plantation Units Other large scale Agri units etc. ➢ The applicant can be Individual, Proprietor / Proprietary, Private Limited Company / Public Limited Company / Limited Liability Partnership Firm Corporates including New or existing FPC (Company of Farmer Producer members as defined in section IXA of the Indian Companies Act,1956 and incorporated with the Registrar of Companies (RoC).
2.	Eligibility	❖ Existing units with good track record and Fresh units with the limit requirement of more than Rs.10.00 lacs and with satisfactory promotor/s track record, group affiliation and viable project/s like Agro Processing Units, Food Processing Units, Agriculture Infrastructure Development units, Animal Husbandry Infrastructure Development units, Large size Dairy farm and Poultry farm, Tea Plantation Units, Other large scale Agri units etc. ❖ In case of existing units which is enjoying any credit facility with our Bank / any Bank/s / Financial Institutions, it should be ensured that their facility/ies are not a restructured / rescheduled / Non Performing Asset. Considering the loan to the applicant/s which are enjoying credit facility/ies with other Banks, should be only through full take- over route after complying with take-over norms. ❖ None of the group accounts are NPA with our / other Bank/s. ❖ Last 3 year ITR along with Balance Sheet. ❖ Availability of cash flow / DSCR to service the proposed Mortgage loan as well as existing loans of the unit, should be assessed as per extant guidelines. ❖ All Benchmark norms are to be complied with as per the Loan Policy in force. ❖ Risk Assessment Model (RAM) rating / Scoring model is mandatory depending on the credit exposure and entry level rating as per CRM policy as below should be complied with. ❖ In case of accounts with credit exposure (existing facilities plus proposed facility) less than Rs.50.00 lakh, BBB rating as per scoring model – Small Business Model. ❖ In case of accounts with credit exposure (existing facilities plus proposed facility) of Rs. 50.00 lakh and above, minimum entry level of rating is (Combined rating) IB BBB & Project rating P2, as per Internal

		RAM rating model. ❖ The Entry level age / Exit level age of the owner/s of the immovable property offered as security: Minimum entry level age: 18 years Exit level age : 70 years FGMCAC may relax exit level age up to 75 years and COLCC (GM) may relax exit level age up to 80 years.
3.	Purpose	Any Bonafide business purposes viz., ➢ For genuine Agri business needs of the applicant concern/ firm / company – such as for expansion of capacity, ➢ Purchase of Machineries / Fixed /Movable / Immovable assets meant for the unit for Agro business etc. ➢ Purchase / Acquisition / Construction / Renovation / Built Up / Under construction of Property for Agro Business purposes.
4.	Facility	Term loan only
5.	Exposure Ceiling	▪ **Minimum:** New borrower : More than Rs. 10.00 lakhs Existing borrower: Rs.5 lakhs* *total of existing limit & proposed limit should be more than Rs. 10 lakhs. ▪ **Maximum:** Rs. 5.00 crore
6.	Security	**<u>Primary Security:</u>** ➢ The immovable property proposed to be mortgaged should be SARFAESI compliant. ➢ The immovable property offered should be located in Tier 1 to Tier 4 centers. Property located in Tier 5 & Tier 6 (i.e., centers with population less than 10,000) should not be accepted as security for considering loan under this product. ➢ The residual life of the building should be at least 10 years more than the proposed repayment period. ➢ The property offered as security can be held by • Applicant or Proprietor/ Proprietrix, his / her Spouse, Adult Children and Parents or • Partners or Directors / Shareholders (major shareholder i.e., more than 5%) OR • Group concern/s. ➢ The residual value of property/ies already mortgaged with us can be considered as security subject to complying with the above guidelines. ➢ The security should be exclusively charged to our Bank i.e., charge on Pari-passu basis, first / second charge etc. not to be accepted as Security. ➢ **Agricultural properties/commercial orchards/Plantation lands/ Poultry farms, disputed properties, properties attached by Tax authorities, Properties belonging to Trusts / HUFs should not to be considered as security.** ➢ The property held as security for this loan can be extended for other facility / ies sanctioned by our Bank to the applicant concern or group accounts (however only on residual value after ensuring adequate margin for this limit) ➢ **IF Vacant Land is to be considered as security, and there is**

		no deviation in norms of the scheme, the proposal should be referred to ZLCC & above for sanction. **<u>Personal Guarantee:</u>** ➢ Personal Guarantee of Property Owner/s whose security has been considered ➢ Corporate Guarantee of group concern/s which had offered the security ➢ Personal Guarantee of Partners / Directors as per extant guidelines.
7.	Margin/LTV	➢ Minimum: 40% of the Security Value (40% of residual value, if residual value of the security is considered) ➢ Relaxation in Margin: Maximum by 10% shall be permitted by ZLCC for sanctions up to ZLCC powers & by respective sanctioning authorities for sanctions under the powers of above ZLCC. ➢ It should be ensured that minimum margin requirement 40% / 30% as per sanction is maintained till the entire repayment period of the loan. LTV of 60% / 70% shall be ensured throughout the repayment
8.	Repayment terms	➢ Repayment Period: Maximum 120 months (Door to Door tenor) **<u>Method of Repayment</u>** • Principal in equal Monthly Instalments. • Monthly interest is to be serviced then and there. ➢ DSCR as per the extant guidelines should be ensured. Average DSCR should be minimum 1.50 and in any year it should not be less than 1.25 ➢ While fixing repayment period, projected cash flow of the applicant and residual life of the building (which is offered as security) is to be taken into account.
9.	Rate of Interest	a) For Exposure less than Rs.100.00 Lakhs – REPO + Total spread b) Rs. 100.00 lakhs & Above - Linked to Internal (RAM) Rating of borrowers
10.	Sanctioning Powers	As per Discretionary Power Booklet
11.	Engineer Valuation Report and Legal Scrutiny Report	➢ Property/ies accepted as security is / are to be valued by two independent valuers for proposed limit/s of Rs. 5 Crore and above and the average value is to be reckoned for arriving at the eligible loan amount (the threshold limit for second valuation as per CRM / Loan Policy in force). If the difference in valuation between two reports is more than 15 percent, the valuation exercise is to be repeated with the new valuer/s till it reaches a consensus. ➢ In case of existing securities, where the residual value to be considered, the valuation report should not be fresh valuation and neither it should be more than 3 years old. ➢ Bank officials should visit the property and satisfy themselves about the approachability, marketability and value of the property before sanction. The value of the property should be discreetly enquired by the Bank officials and reasonableness of valuation reported by panel

		valuer should be ensured. A report about this should form part of the appraisal. ➢ Legal Scrutiny Report (LSR) is to be obtained in the prescribed format from the panel advocate (refer latest circular No. ADV 103/2021-22 dated 01/09/2021 for format). Second LSR from another panel advocate is to be obtained for sanctioned limit/s of Rs. 1 Crore and above (the threshold limit for second LSR as per CRM / Loan Policy in force)
12.	Takeover of Mortgage Loan	➢ Takeover of existing liability /ies of the applicant from other Bank / FI is permitted. ➢ Takeover guidelines as per Loan Policy in force are to be complied with. ➢ Respective Sanctioning authority can take over up to their discretionary limits applicable for this loan product.
13.	Processing Charges	0.50% of the limit sanctioned (excluding GST).
14.	Documentation charges	➢ Up to Rs.10 lakhs: Nil ➢ Above Rs.10 lakhs: Rs.250 per lakh or part thereof, subject to maximum of Rs.60,000/-(excluding GST).
15.	Equitable Mortgage charges	➢ Below Rs.10.00 Lakh-Nil ➢ Rs.10.00 lakh and above: Rs.300 per lakh maximum of Rs.25000 each at the time of initial creation of EM/other mortgage (excluding GST). ➢ For extension of EM/other mortgage 50% of the applicable charges to be recovered (excluding GST).
16.	Inspection charges	Above Rs.5.00 lakhs is 0.075% p.a. subject to maximum of Rs. 37,500/- (excluding GST).
17.	Insurance	Building offered as security must be adequately insured with Bank clause. Premium for the same is to be borne by the borrower.
18.	Review	Review of the account has to be done annually as per extant guidelines applicable for Term Loan after taking into account the regularity of repayment, security value, regular repayment of Property tax / statutory dues, availability of insurance cover, obtention of Encumbrance Certificate / Search Report as per extant guidelines, etc.
19.	Annual Review charges	Above Rs.5.00 lakhs is Rs.120 per lakh or part thereof, subject to maximum of Rs. 60,000/-(excluding GST).

20.	Others	➢ All the guidelines applicable for lending against immovable properties as per “Conventional Advances” manual are to be followed. ➢ Before sanction, track record / antecedents of the applicant / guarantors is to be verified through various reports of Credit Information Companies, Defaulters’ list etc. as per extant guidelines. ➢ Up-to-date Encumbrance Certificate / Search Report, Property tax paid receipts are to be held on record before disbursement and thereafter to be obtained from the borrower regularly, as per stipulated periodicity, till full repayment of the loan ➢ Pre-release Audit / Legal Audit are to be conducted as per extant guidelines of Loan Policy / CRM Policy ➢ **If Vacant Land is to be considered as security, and there is no deviation in norms of the scheme, the proposal should be referred to ZLCC for sanction.** ➢ Equitable Mortgage / Extension of Equitable Mortgage is to be registered with Sub-Registrar’s office, as per extant guidelines. Charges for the same is to be borne by the borrower. ➢ Equitable Mortgage must be created only by the Owner of the property and not by the Power of attorney holder, unless specifically permitted by the competent authority as per extant guidelines. ➢ CERSAI registration is to be done for Equitable Mortgage ➢ Extension of Equitable Mortgage. Charges for the same are to be borne by the borrower. ➢ Charges with ROC is to be registered / modified, wherever applicable. Charges for the same is to be borne by the borrower. ➢ Prepayment charges as applicable for Term Loan to be recovered, in case of prepayment of loan except for from own source. ➢ It should be ensured that this loan amount is not utilized as margin for any other Term Loan availed / to be availed by the applicant. ➢ A Declaration from the borrower that the loan amount has been utilized for the purpose/s for which it is sanctioned, to be obtained, to ensure end use of loan. ➢ Deviation if any in any of the product features to be placed to COLCC(GM) for approving relaxations. ➢ **Branches should ensure the following.** ➢ **The adequacy of credit turnover in account to serve the monthly debt obligations.** ➢ **The last one-year credit turnover is at least 1.5 times of yearly average proposed repayment (Instalment + Interest).**

21.	Documentation	D 7 – Disposal of Proceeds D 5 (wherever applicable) – Partnership Letter D 32 / D 33 / D 34 / D 34A / D 34B (whichever is applicable) – Letter from party to bank confirming the creation / extension of equitable mortgage D 57 (if applicable) – Agreement of Guarantee D 131 - Mortgage Agreement F 16 - Guarantors Details F 137 - Affidavit F 172 – Declaration by borrower regarding details of relatives working in our Bank / other Banks F 178 – Legal Scrutiny Report F 189 – Details of family members of Borrower / Guarantor F 190 – Letter of Authority from borrower.

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MSME

Micro, Small and Medium Enterprises (MSME) sector has emerged as a highly vibrant and dynamic sector of the Indian economy over the last five decades. MSMEs not only play crucial role in providing large employment opportunities at comparatively lower capital cost than large industries but also help in industrialization of rural & backward areas, thereby, reducing regional imbalances, assuring more equitable distribution of national income and wealth. MSMEs are complementary to large industries as ancillary units and this sector contributes enormously to the socio-economic development of the country.

Micro, Small and Medium Enterprises (MSMEs) are amongst the strongest drivers of economic development, innovation and employment. The MSME sector also contributes in a significant way to the growth of the Indian economy with a vast network of about 63.38 million enterprises. The sector contributes about 45% to manufacturing output, more than 40% of exports, over 28% of the GDP while creating employment for about 111 million people, which in terms of volume stands next to agricultural sector. The MSME sector in India is exceedingly heterogeneous in terms of size of the enterprises and variety of products and services, and levels of technology employed.

In order to enable identification and facilitate development of MSMEs, Government of India had enacted the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006. Prior to the enactment of this act, small industries encompassed tiny, cottage, traditional, and village enterprises and MSEs in India were collectively termed as Small Scale Industries (SSIs) under the Industrial Development and Regulation (IDR) Act, 1951. The MSMED Act, 2006 has provided the legal framework for identifying the concept of 'enterprise' which includes entities both in manufacturing and service sectors and has categorized the enterprises into three tiers viz., Micro, Small and Medium.

Definition of MSME Sector w e f 01st July 2020

Type of Enterprise	Investment in Plant & Machinery or Equipments (Should not exceed)	Turnover (Should not exceed)
Micro Enterprise	Rs.1.00 crore	Rs.5.00 crores
Small Enterprise	Rs.10.00 crores	Rs.50.00 crores
Medium Enterprises	Rs.50.00 crores	Rs.250.00 crores

Note: The value of Plant and Machinery or Equipment for all purposes and for all the enterprises shall mean the Written Down Value (WDV) as at the end of the Financial Year as defined in the Income Tax Act and not cost of acquisition or original price.

Retail and Wholesale Trade

As per RBI Notification dated 07.07.2021, it has decided to include Retail and Wholesale trade as MSMEs for the limited purpose of Priority Sector Lending and they would be allowed to be registered on Udyam Registration Portal for the following NIC Codes and activities mentioned against them:

Accordingly, the lists of eligible additional activities are as under:

a. Wholesale and retail trade and repair of motor vehicles and motorcycles.
b. Wholesale trade except of motor vehicles and motorcycles
c. Retail Trade except of Motor Vehicles and motor Cycles.

The Enterprises having Udyog Aadhar Memorandum (UAM) for above activities are allowed to migrate to Udyam Registration portal or they can file Udyam Registration afresh.

As per extant guidelines issued by GOI / RBI:

All new floating loans sanctioned under MSME category should be mandatorily opened under EBLR linked product codes only (Presently, Repo linked)

URC (Udyam Registration Certificate) Mandate: Udyam Registration Certificate (URC) should be obtained for all MSME accounts and details to be captured in MSME CISLA field without fail.

Capturing of Turnover & WDV Details: Turnover details and WDV of Plant & Machinery details should be captured accurately in the CBS (Core Banking System) for each MSME account. This information is vital for proper sector classification in compliance with regulatory requirements.

MSME comes under priority Sector

- No differentiation (in the criteria for classification) for manufacturing and services sector
- Composite criteria - Investment in machines and Annual Turnover needs to be complied with, for classification as MSME
- Both the criteria need to be satisfied
- Exports of goods or services or both, to be excluded
- If an Enterprise crosses ceiling in any one criteria, it will be placed in the next higher category.
- An Enterprise will be placed in the lower category only when it goes below the ceiling in both the criteria. The entity will continue to remain

in the present category even if one of the criterions falls below the threshold

Registration of MSME

- Registration in "Udyam Registration Portal" mandatory w e f July 1, 2020.
- Existing Enterprises registered with Entrepreneur Memorandum and Udyog Aadhaar Memorandum should register in Udyam Registration Portal before 31st March 2021. (Existing registration valid till 31st March 2021).
- An enterprise registered with any other organisation under the Ministry of MSME shall register itself under Udyam Registration.
- Online Registration (https:udyamregistration.gov.in)
- The form for registration is provided in the Udyam Registration portal.
- No fee for filing Udyam Registration.
- A permanent registration number (Udhyam Registration number} will be given after registration.
- After completion of the process of registration, a certificate will be issued online.
- e-Certificate to be downloaded
- This certificate will have a dynamic QR Code, from which, the web page on the Portal and details about the enterprise can be accessed.
- There is no need for renewal of Registration.

Government initiatives for MSME segment

- MSMED act came into force from 02.10.2006
- The erstwhile Small Road Transport Operators, Professional & Self Employed, Small Business & Retail Trade included in the service sector under MSME.
- To promote MSE sector cluster approach is also adopted
- Collateral free approach is adopted in mandatory way for limits upto 10 lacs
- The definition of the MSME sector as per investment in Plant & Machinery/Equipment and turnover
- The target fixed is 20% year on year growth
- The growth in number of units is envisaged at 10%
- 60% of total advances to MSE sector as at preceding March should go to Micro Enterprises
- CGTMSE scheme launched for providing credit guarantee for Micro and Small Enterprises segment
- Reimbursement of credit rating fee from NSIC upto 75% subject to maximum of Rs 40000
- Penalty for non-payment of receivables of MSME by clients within 45 days at the rate of 3 times bank rate
- Relief by way of reduced margin on stocks & receivables - minimum 20% and extended credit on receivables up to 6 months
- Margins on letters of Credit/Guarantee relaxed up to 5% on selective basis
- All Bank loans to MSME, as defined in terms of investment in

equipment/plant & machinery and turnover shall qualify under priority sector without any credit cap.

- Some recent initiatives by SIDBI such as the PSBLoansIn59Minutes, publication such as MSME Pulse, Micro Finance Pulse, MSME Sentiments Index, etc., have been commendable initiatives and highlight its ability to induce new ways of lending and make available knowledge products for a wider audience.
- PSBLoansIn59Minutes is an online marketplace, which enables in-principle approval for MSME loans up to ₹5 crore in 59 minutes from Public Sector Banks.

Common guidelines / instructions for lending to MSME Sector

Issue of Acknowledgement of Loan Applications to MSME borrowers - Banks to must acknowledge all loan applications, submitted manually or online, by MSME borrowers and ensures that a running serial number is recorded on the application form as well as on the acknowledgement receipt. Banks advised to put in place a system of Central Registration of loan applications, online submission of loan applications and a system of e-tracking of MSE loan applications.

Collateral

Banks are mandated not to accept collateral security in the case of loans up to Rs.10 lakh extended to units in the MSE sector. Banks are also advised to extend collateral-free loans up to Rs. 10 lakh to all units financed under the Prime Minister Employment Generation Programme (PMEGP)* administered by KVIC. Banks may, on the basis of good track record and financial position of the MSE units, increase the limit to dispense with the collateral requirement for loans up to Rs.25 lakh (with the approval of the appropriate authority). Banks are advised to strongly encourage their branch level functionaries to avail of the Credit Guarantee Scheme cover, including making performance in this regard a criterion in the evaluation of their field staff.

Composite loan

A composite loan limit of Rs.1 crore can be sanctioned by banks to enable the MSE entrepreneurs to avail of their working capital and term loan requirement through Single Window.

*MODIFICAITON IN PMEGP:

Ministry of MSME vide office memorandum No.PMEGP/Policy/09/2021 dated 13th May 2022
has extended PMEGP Scheme for 5 more years i.e., from FY 2021-22 to FY 2025-26 and
modified the scheme guidelines.

Gist of modified guidelines is furnished as under:

- Aadhar number of the applicant has been made mandatory.

- Maximum cost of the project/unit admissible for Margin Money subsidy under Manufacturing sector is Rs.50 lakhs and under Business/Service sector is Rs.20 lakhs.
  If the total project cost, exceeds Rs.50 lakhs or Rs.20 lakhs for Manufacturing and Business/Service Sector respectively, the balance amount may be provided by the BanK without any Government subsidy.
- The duration of the EDP training would be for at least 5 days for projects with project cost up to Rs.5 lakh and atleast 10 days for project with cost above Rs.5 lakh. No EDP training will be mandatory for projects upto Rs. 2 lakh.

Industries/Business connected with Animal Husbandry viz., Dairy-Milk and other dairy product activities, off farm activities with sericulture, horticulture, floriculture and aquaculture activities are allowed under the scheme.

In addition to the above, Ministry of MSME has also directed to popularize PMEGP-2nd Loan
and improve sanctions under the scheme. Therefore, we are reiterating the guidelines on PMEGP-2nd Loan for the benefit of field functionaries

Coir UdyamiYojana (CUY) – scheme by Coir Board

The Rejuvenation Modernization and Technology Up gradation (REMOT) scheme of coir industry has been renamed "Coir Udyami Yojana (CUY). The scheme would cover any coir project with project cost upto Rs 10 lakhs plus working capital, which shall not exceed 25% of the project cost. The pattern of assistance under the scheme is 40% of the project cost as Govt of India subsidy, 55% loan from the Bank and 5% beneficiary contribution.

Pradhan Mantri Jan DhanYojana – Scheme for Overdraft (OD) up to Rs.10000/- under PMJDY –

The salient features as per Revised Guidelines of Overdraft facility under PMJDYare as follows,

- Existing overdraft (OD) limit to PMJDY account holders of Rs 5,000/- has been raised to Rs10,000/-
- Age limit of 18-60 years has been revised to 18-65 years.
- BSBD (Basic Savings Bank Deposit) accounts which are operated satisfactorily for at least six month, OD to be granted to the earning individual. There will not be any conditions attached for OD upto Rs 2,000/-.
- More than Rs 2000- 4 times of aggregate monthly balance or 50% of credit summation since 6 months or Rs 10000/ whichever is less.
- The account should be active with regular credits. Credits could be from DBT (Direct Benefit Transfer) or DBTL (Direct Benefit Transfer for LPG) or from any other source.
- Account should be authenticated with Aadhaar and mobile number and mapped with NPCI. The mapping will remain and not to be changed without the consent of the concerned bank which has sanctioned the OD facility.

- BSBD account holder should not maintain any other SB account with same bank. (Undertaking / declaration should be obtained from borrower)
- Aadhaar should be linked and authenticated demographically.
- Regular credits should be sufficient enough to service the interest charged on OD account on yearly basis.
- Branches should amend in the CBS screen 7050 by selecting Aadhaar details and mark “Y” in the drop down immediately after sanctioning the loan.

MUDRA Cards

Our Bank has introduced a special Rupay debit card, called MUDRA card, co-branded with MUDRA. All Micro borrowal accounts sanctioned from 08.04.2015 with total credit limits up to Rs.10.00 lacs only is covered under this. This may include government sponsored schemes, our Banks Structured Loan Products under MSME and all loans (excluding jewel loans) given to non-farm enterprises in manufacturing, trading and services sector whose credit needs are below Rs.10.00 lacs.

Deendayal Antyodaya Yojana (DAY) - National Urban Livelihoods Mission

With a view to improving the livelihood opportunities for the poor in urban areas, Ministry of Housing and Urban Poverty Alleviation (UPA) Division, Government of India vide their office memorandum No K- 14011/2/2012 – UPA/FTS-5196 dated 19th February, 2016 has decided to enhance the scope of National Urban Livelihoods Mission. The Mission with enhanced scope is renamed as “Deendayal Antyodaya Yojana (DAY) – National Urban Livelihoods Mission”. Mission will be implemented in all District Headquarters Towns and all other cities with a population of 1,00,000 or more as per 2011 Census.

UDYAMI MITRA PORTAL FOR MSME

SIDBI has introduced a new interactive portal www.udyamimitra.in. It is an enabling platform which leverages IT architecture of Stand-Up Mitra Portal and aims at instilling ease of access to MSME’s financial and non – financial services needs. The portal, as a virtual market place endeavours to provide ‘end to end’ solutions not only for credit delivery but also for the host of credit plus services by way of hand holding support , application tracking, multiple interface with stakeholders (i.e banks, service providers , applicants). The www.udyamimitra.in is an interactive portal to enable loans to MSMEs on the lines of existing portal created for Stand-Up India Programme. While the existing portal www.standupmitra.in also provides for loans under various categories such as MUDRA, stand-Up India and general MSME Loans, the needs for an exclusive portal dedicated to varied MSME enterprise loans has been felt and the new portal www.udyamimitra.in is designed as vehicle for these requirements.

Revised code of Bank's commitment to Micro and Small Enterprises:-

Major changes in the MSE code is as follows:-

1. No processing fee for loans up to Rs. 5 lakh, whether sanctioned or not

2. The time norms for disposal of MSME applications complete in all aspects accompanied by documents as per checklist, are as follows:

	As per revised MSE code
Loans uptoRs 5 Lakhs	Within 2 weeks
Above Rs 5 Lakhs and up to Rs 25 lakhs	Within 3 weeks
Above Rs 25 Lakhs	Within 6 weeks

CREDIT GUARANTEE FUND SCHEME FOR MICRO AND SMALL ENTERPRISES (CGTMSE)

Credit facilities eligible under the scheme

Credit facilities (Fund based and / or Non fund based) extended to a single eligible borrower in the Micro and Small Enterprises sector for credit facility by one or more than one bank and / or financial institution jointly and / or separately not exceeding Rs.500 lakh by way of term loan and / or working capital facilities. Any credit facility which has been sanctioned with interest rate charged as per RBI guidelines would be eligible for coverage under CGS.(w.e.f 01.04.2023 CGTMSE coverage guidelines has been revised)

Member Lending Institutions (MLIs) can now apply for guarantee cover anytime during the tenure of Loan provided the credit facility was not restructured / remained in SMA2 status in last 1 year from the date of submission of application.

CGTMSE has introduced a new "Hybrid Security" product allowing guarantee cover for the portion of credit facility not covered by collateral security. In the partial collateral security model, the MLIs will be allowed to obtain collateral security for a part of the credit facility, whereas the remaining part of the credit facility, up to a maximum of Rs 500 lakh, can be covered under Credit Guarantee Scheme of CGTMSE. CGTMSE will, however, have pari-passu charge on the primary security as well as on the collateral security provided by the borrower for the credit facility.

Credit Facilities not eligible under the scheme

Any credit facility in which risks are additionally covered by DICGC or RBI to the extent they are so covered Any credit facility in which risks are additionally covered by Government or by any general insurer or by any other person/ association of persons carrying on the business of insurance, guarantee or indemnity, to the extent they are so covered. Credit facilities sanctioned to a borrower – who has not repaid / defaulted in respect of other limits availed by him, either under this scheme or under other schemes mentioned above. Credit for educational / training institutions and SHGs are not eligible for the present

Any credit facility, which does not conform to, or is in any way inconsistent with, the provisions of any law, or with any directives or instructions issued by the Central Government or the Reserve Bank of India, which may, for the time being, be in force

Any credit facility granted to any borrower, who has availed himself of any other credit facility covered under this scheme or under the schemes and where the Bank has invoked the guarantee provided by the Trust or under the schemes above, but has not repaid any portion of the amount due to the Trust or under the schemes Any borrower or activity or undertaking ceases to come within the definition of MSE unit.

Revamping of Credit Guarantee Scheme for Micro & Small Enterprises

with effect from 01.04.2023

In order to provide easy access to credit for MSEs, following modifications has been done under Credit Guarantee Scheme for Micro & Small Enterprises with effect from 01.04.2023:

1. Reduction of annual guarantee fee from a peak rate of 2% per annum to as low as 0.37% per annum.

2. Enhancement in coverage amount from **Rs. 2 crore to Rs. 5 crore.**

3. For settlement of claims in respect of guarantees for loan outstanding upto Rs. 10 lakh, initiation of legal proceedings will no longer be required.

CGTMSE- INCREASE IN CEILING OF COVERAGE FROM 200 lakh to 500 lakh

Facilities sanctioned on or after 01.04.2023

Category (including Trading activity)	Maximum extent of Guarantee Coverage where credit facilities are		
	Up to ₹ 5 lakh	Above ₹ 5 lakh & up to ₹ 50 lakh	Above ₹ 50 lakh & up to ₹ 500 lakh
Micro Enterprises	85%	75%	75%
MSEs located in North East Region	80%		
Women entrepreneurs, Person with Disablity (PwD), MSEs Promoted by Agniveer, MSEs situated in Aspirational District, ZED certified MSEs, SC/ST entrepreneurs	85%		
All other category of borrowers	75%		

As such there is no differentiation for retail / wholesale trades activity for CGTMSE coverage in the scheme.

CGTMSE- INCREASE IN THE THRESHHOLD FOR WAIVER OF LEGAL ACTION AND OPTION FOR CLAIM SETTLEMENT IN SINGLE INSTALLMENT

In order to further simplify the procedure for filing claim in respect of small account, CGTMSE has increased the threshold limit for waiver of legal action to 10,00,000/- per claim while invoking the guarantee based on the aggregate outstanding amount considered eligible for claim settlement by CGTMSE, as against the present limit of 50,000

CGTMSE has decided to offer two options for claim settlement at the time of claim lodgement for cases where waiver of legal action is applicable. The details are as under:

Option 1: Single instalment of claim settlement with reduced extent of guarantee by 15%. Eg: in respect of extent of coverage of 75%, reduced coverage would be 60%, 80% would be 65% and likewise.

Option 2: Existing claim settlement process in two instalments i.e. 75% of eligibility amount as first instalment & balance 25% as second instalment. For legal waiver accounts, second Instalment of claim -would be settled after three years from the date of settlement of 1st claim or OTS whichever is earlier

Revised Slab for Guarantee Fee:

In pursuit of revamp of Credit Guarantee Scheme to increase flow of credit to MSEs, it has been decided to bring down the cost of guarantee. Further, guarantee fees to Retail / Wholesale Trade is made at par with other activities. The revised the Annual Guarantee Fee (AGF) structure under Credit Guarantee Scheme (CGS -I) applicable to all the guarantees approved/ renewed on or after April 01, 2023 is given in the table below.

Slab	**Standard Rate (pa)***
0-10 lakh	0.37
Above 10-50 lakh	0.55
Above 50-1 crore	0.60
Above 1-2 crore	1.20
Above 2-5 crore	1.35

*Above 2-5 crore 1.35 AGF will be charged on the guaranteed amount for the first year and on the outstanding amount for the remaining tenure of the credit facility.

The standard rate is across all activity including trading activity.

MLIs with better portfolio would be given the discount of 10% in standard rate whereas MLIs with high risk associated would be charged maximum risk premium upto 70% of SR.

Additional concession / relaxation in guarantee fee to following categories

Category	***Social category (Weaker Section/***	***Geographic***	***MSE Status***

	nderserved Section)		
Target Group	*Women/SC/ST/ PwD/ Agniveeer*	*NER inclu Sikkim, UT of Jammu & Kashmir, UT of Laddhak(Upto 50 Lakh)/ Aspirational District*	*ZED Certified*
Relaxation/ Concession in Rate	*10%*	*10%*	*10%*

Udyam Registration Number is mandatory for getting guarantee coverage under CGTMSE

Credit Linked Capital Subsidy Scheme (CLCSS)

Government of India, Ministry of Micro, Small and Medium Enterprises had launched Credit Linked Capital Subsidy Scheme (CLSS) for Technology Upgradation of Micro and Small Enterprises subject to the following terms and conditions:

i) Ceiling on the loan under the scheme is Rs.1 crore

ii) The rate of subsidy is 15% for all units of micro and small enterprises up to loan ceiling at Sr. No. (i) above.

iii) Calculation of admissible subsidy will be done with reference to the purchase price of plant and machinery instead of term loan disbursed to the beneficiary unit.

iv) SIDBI and NABARD will continue to be implementing agencies of the scheme.

Credit Guarantee Fund for Micro Units (CGFMU) Scheme for MUDRA loans

Government of India through Ministry of Finance, Dept. of Financial Services has notified the Credit Guarantee Fund for Micro Units (CGFMU) for Mudra Loans
The fund and the scheme will be managed and operated by National Credit Guarantee Trustee Company Ltd. (NCGTC) which is a wholly-owned trustee company of Government of India.
Salient features of Credit Guarantee Fund for Micro Units (CGFMU):

- The Credit Guarantee will be available for micro loans under the aegis of Pradhan Mantri Mudra Yojana, up to the specified limit (currently Rs.10 lakh) extended by Member Lending Institutions (MFIs) to an eligible borrower without any collateral security and / or third party guarantees.
- New or Existing Micro unit / enterprise as defined in the MSMED Act 2006, sanctioned since 8th April 2015 shall be covered under the scheme.
- Further, Overdraft loan amount of Rs. 10,000/- sanctioned under PMJDY accounts shall also be eligible to cover under Credit Guarantee Fund.
- Loans sanctioned in 2016-17, for the activities allied to agriculture upto Rs. 10.00 Lakhs (excluding crop loans, land improving such as canals, irrigation, wells) and services supporting to Agri. allied activities, which promote livelihood or are income generating shall also be covered under Credit Guarantee Fund for Micro Units (CGFMU) Scheme.
- Pattern of coverage is Portfolio basis.
- The lending institution shall pool all its outstanding micro loans extended against

sanctions effected on or after April 08, 2015 as at the end of a quarter (quarter ended March, June, September and December) as part of the portfolio during the base year and ensure to submit the information required by NCGTC for giving guarantee cover with regard to the micro borrowal account during the currency of the portfolio.

- The Maximum interest rate to be charged by a Member Lending Institution (MLI) on MUDRA Loans should not in any case, more than 12% p.a. for Shishu category (loans uptoRs. 50,000/-) and there is no interest rate stipulations for Kishore and Tarun loans.
- Guarantee fee payable is 1% p.a. (Standard Base Rate) of the sanctioned amount (Limit) plus Risk premium based on NPA level in the portfolio of the Bank.
- Extent of the Guarantee: In the nature of 'First Loss Portfolio Guarantee', wherein first loss to the extent of 5% of the crystallized portfolio of the MLI, will be borne by the MLI and therefore, will be excluded for the claim. Out of the balance portion, the 'extent of guarantee' will be to a maximum extent of 50% of 'Amount in Default' in the portfolio or such other percentage as may be specified by the Fund from time to time on a pro-rata basis.

A comparison between CGTMSE and CGFMU coverage is as Under

Criterion	**Guarantee cover under CGTMSE**	**Guarantee Cover Under CGFMU**
Eligibility	Available for loans sanctioned to micro and small enterprises(Including Mudra Loans) for activities under Manufacturing Services Trade	Available for Mudra loans sanctioned for activities under 1.Manufacturing 2.Services 3.Trade 4.Allied Agriculture Overdraft Sanctioned under PMJDY
Pattern of coverage	Individuals accounts	Portfolios Basis
Loan Value	Upto Rs.500 lakhs for manufacturing and services (incl. Trade)	Up to Rs.10.00 Lakhs (Mudra Loans)
Guarantee fee	As above	1.00% to 1.50%
Invocation of Guarantee	Initiation of recovery proceedings compulsory before invocation	Statutory auditor/Management certificate
Extent of Guarantee	As above	First loss portfolio guarantee i.e.up to 5% of crystallized portfolio for micro loan sanctioned upto 31.3.2020 & First loss to the extent of 3% of the amount in default for micro loan sanctioned during FY2020-21 & after. Extent of Guarantee portion(Balance portion) will be to a maximum of 50% of Default in amount subject to maximum cap of 15% of the crystallized portfolio for micro loan sanctioned upto 31.3.2020 and 75% of "Amount in Default",

		subject to maximum pay out cap of 15% of the crystallized portfolio for micro loan during FY2020-21 & after.

As per circular CO:MSMED CIRCULAR NO. ADV 41 /2019-20 dated 10.07.2019_CGFMU_MASTER

CIRCULAR, Mudra Loans sanctioned to Manufacturing, Services & Trade Sector under CGTMSE scheme and

Mudra Loans sanctioned to agri-allied activities & Overdrafts sanctioned under PMJDY scheme under CGFMU scheme.

Credit Guarantee Scheme for Start Up (CGSS)

Salient features of Credit Guarantee Scheme :

Startup India is a flagship initiative of the Government of India, intended to build a strong ecosystem that is conducive for the growth of startup businesses, to drive sustainable economic growth and generate large scale employment opportunities.

Credit Guarantee Scheme for Start-ups (CGSS) will address the issues of collateral free loans and enable flow of financial assistance to innovative start-ups through their journey to become a full-fledged business entity. Further, it is expected to promote innovation and foster entrepreneurship in Indian Start-up ecosystem and more entrepreneurs turn their vision into reality.

NCGTC has been identified as the nodal agency for implementation of the scheme. Our Bank has registered as a Member Lending Institute (MLI) for implementation of CGSS scheme in our Bank

Eligible borrower

The eligibility criteria for an entity to borrow under the Credit Guarantee Scheme for Startups

shall be as follows, wherein an entity should be:

- Startup as recognized by DPIIT as per Gazette Notifications issued from time to time
- Startups that have reached stage of stable revenue stream, as assessed from audited monthly statements over a 12-month period, amenable to debt financing

- Startup not in default to any lending/investing institution and not classified as NonPerforming Asset as per RBI guidelines
- Startup whose eligibility is certified by the member institution for the purpose of guarantee cover.

B. Guarantee cover

i. Under the Scheme Credit guarantee cover is of two models:

☐ Transaction based (for Banks/FIs/NBFCs)

☐ Umbrella based (for SEBI registered AIFs)

ii. In respect of transaction-based guarantee cover, the guarantee cover will commence from the date of payment of guarantee fee and shall run through the agreed tenure of the Loan/debt facility.

iii. In respect of umbrella-based guarantee, the cover is based on the Pooled Investment in Start-ups. It is applicable for AIFs.

As per the guidelines, Banks are eligible for coverage under Transaction based guarantee cover. Features of Transaction based cover are as under:

C. Quantum of Assistance eligible for Guarantee Cover

i. Maximum amount of debt (fund based or non-fund based) eligible for cover under the scheme is Rs 10 crore per borrower irrespective of amount of debt facilities extended to borrowers by MLIs.

ii. The credit facilities being covered should not have been covered under any other guarantee scheme.

iii. In respect of credit facilities where a portion of the same has been secured by way of partial collateral security, the remaining part comprising of the unsecured facility will be covered under the guarantee scheme.

D. Extent of Guarantee cover

Under the Transaction based cover, extent of Guarantee varies from 65% to 80% of amount in default as mentioned below , subject to a maximum of Rs 10 Crore per borrower.

- 80% of the amount in default if Sanction amount is up to Rs.3 crore
- 75% of amount in default if Sanction amount is above Rs. 3 crore and upto Rs. 5 crore
- 65% of the amount in default if loan Sanction amount is above Rs. 5 crore.

E. Invocation of Guarantee/Claim Settlement

The guarantee in respect of that credit facility was in force at the time of account turning NPA.

A lock-in-period of 18 months has been stipulated from the date of commencement of guarantee cover.

Maximum guarantee amount payable to an MI to accounts guaranteed under the Scheme during a year shall be capped at 20% of the total sanctions during a year (where at least 90% amount has been disbursed).

Claims of the respective MIs shall be settled to extent of 2.5 times the guarantee fees along with recovery remitted during the Previous Financial Year.

Credit Guarantee Scheme for Stand Up India (CGSSI) – for the loans sanctioned under Stand Up India Scheme

Government of India through Ministry of Finance, Dept. of Financial Services has notified the Credit Guarantee Scheme for Stand Up India (CGSSI) vide Gazette Notification No. S.O. 1499 (E). Dt. 25.04.2016 under the Trust Fund, Credit Guarantee Fund for Stand Up India (CGFSSI). The fund and the scheme will be managed and operated by National Credit Guarantee Trustee Company Ltd. (NCGTC) which is a wholly-owned trustee company of Government of India.Our Bank has become a Member Lending Institution (MLI) by registering with National Credit GuaranteeTrustee Company (NCGTC), vide our Banks' Board approval Dt.02.08.2016.

Salient features of Credit Guarantee Scheme for Stand Up India (CGSSI):

- The Credit Guarantee will be available for all MSME Loans conforming to the norms of Stand Up India Scheme over Rs. 10 Lakh & up to Rs. 100 Lakh inclusive of Working Capital, to a single borrower particularly for SC/ST/Women (relatively excluded sections of population) for setting up of Greenfield enterprises without any Collateral security and / or third party guarantees.
- The Maximum interest rate to be charged by a Member Lending Institution (MLI) on Stand Up India Loans should not in any case, more than 3% p.a. over the Base Rate (MCLR).
- Guarantee fee is 0.85% p.a. (Standard Base Rate) of the sanctioned amount plus Risk premium based on NPA level in the portfolio of the Bank and the details are
- The Guarantee cover would be available as below;

Loan Amount Guarantee Cover

Loan Amount	Guarantee Cover
Above Rs. 10.00 Lakh and Upto Rs. 50.00 Lakh	80% of amount in default, subject to a maximum of Rs. 40.00 Lakh
Above Rs. 50.00 Lakh and Upto Rs. 100.00 Lakh	Rs. 40.00 Lakh (PLUS) 50% of amount in default,subject to overall ceiling of Rs. 65.00 Lakh

MSME and Agro Processing Centre (MAPC)

After separation of RAPCs from existing RAMPCs, the RAMPCs will function as MAPCs

SPOKE BRANCHES

ALL BRANCHES EXCEPT MID CORPORATE & LARGE CORPORATE BRANCHES

SCOPE OF MAPC

- All MSME proposals (Fresh / Enhancement / Review & Renewal (above Rs. 50.00 Lakh)/ Restructuring / Adhoc)
- Total exposure of above Rs. 10 lakhs of Spoke branches having mortgage base security / CGTMSE coverage.
- EXCEPTIONS
  - Loan / Overdraft against Deposit (own / against third party deposit) to MSMEs
  - Jewel Loan to Traders & Other Priority Sector (Non-Agri)
  - Loan against liquid securities like LIC Policy, NSC etc. to MSMEs

TURN AROUND TIME (TAT)

Turn Around Time from the date of receipt of full-fledged proposal by MAPC

For limits upto Rs.1.00 crore	7 days
For limits above Rs.1.00 crore	15 days

FUNCTIONS OF SPOKE BRANCH

- Generation of Leads / Canvassing of proposals
- Compliance of KYC guidelines
- Collection and Submission of basic data of proposal
- Pre-sanction unit / security visit and submission of report
- Exposure upto Rs. 50 lakhs – Visit to be conducted by Branch
- Exposure above Rs. 50 lakhs - Visit to be done jointly with MAPC officials.
- Upon receipt of In-principle approval from MAPC for taking up the proposal, Collection of Loan application along with requisite documents.
- Obtention of Legal Scrutiny Report (LSR) & Engineer Valuation Report (EVR).
- Preparation of Credit Reports
- Forwarding of proposals (MAPC will prepare appraisal note).
- Collecting details for clarifications sought by MAPC
- Documentation, creation of mortgages / charges, compliance of sanction terms,

CGTMSE coverage (wherever applicable), insuring the security/ies & other credit administration functions
- Obtention of Monthly Stock & Book Debt Statement
- Drawing Power to be arrived at and updated in the CBS system.
- Once in a quarter, copy of Stock & Book Debt Statement, Drawing Power calculation to be submitted to MAPC
- Periodical Unit / Security inspection and submission of report to MAPC for exposure upto Rs. 50 lakhs. For exposure above Rs. 50 lakhs, if MAPC delegates unit visit to Branch, to be conducted and report submitted to MAPC
- Post-disbursement monitoring of accounts like SMA follow up, recovery, renewal of documents, initiation of legal action etc.
- Proposals which are outside purview of MAPC, are to be handled at branches upto their discretionary powers stipulated for these products. The proposals under these products, which exceed Branch's discretionary power, are to be submitted to Zonal Office by the branches.
- Branches to obtain administrative clearance from Zonal Office for Mudra Loans of above Rs. 1.00 lakh.

Functions of MAPC

❖ Processing and sanction of all MSME proposals
❖ On receipt of basic data of proposal
◆ Due diligence verification
◆ Pre-sanction unit / security visit for exposure above Rs. 50 lakhs
◆ MAPC Head to accord In-principle approval to take up the proposal
◆ Details of Panel Lawyer and Valuer for obtaining LSR & EVR to be communicated
❖ In-principle approval should be accorded within 2 working days from the date of receipt of details
❖ Upon receipt of full fledged application and other papers, MAPC to prepare appraisal note
❖ If the proposal falls beyond powers of MAPC, the proposal shall be directly submitted by Branch to respective sanctioning authority (ZLSCC / ZLCC / FGMCAC / Corporate Office).
❖ If the proposal falls under powers of FGMCAC, the same shall be forwarded directly to FGMO for decision marking a copy to Zonal Office
❖ If the proposal falls under powers of Corporate Office, the same shall be forwarded directly to Corporate Office for decision marking copy to Zonal Office and FMGO.
❖ Communication of sanction to Branch and the applicant.
❖ Adhering Turn Around Time in disposal of proposals.
❖ Soft copy of set of documents to be executed by the applicant to be sent to the branch
❖ Diarising due dates of insurance renewal, renewal of facility for reminding the branch.
❖ Obtention of Quarterly Stock & Book Debt Statement from the branch and ensuring Drawing Power is available.
❖ Verification of Operations / turnover in the account on monthly basis.
❖ Post-sanction unit / security visit for exposure above Rs. 50 lakhs to be carried out along with Branch officials. Post sanction unit / security visit for exposure of above Rs. 50

lakhs can be delegated to the Branch on case to case basis by MAPC and visit report to be obtained.

- Periodical review / renewal of facility
- Reporting of all sanctions to respective Zonal Office, Inspection Department

Structure of MAPC

- MAPC HEADED BY AGM/ CHIEF MANAGER.
- In MSME Business, Zones have been classified into A,B, C & D as follows:

Category	MSME Business in Cr	Minimum Man Power
A	Above 1000	5(Other than MAPC & RDO)
B	More than 750 to 1000	5(Other than MAPC & RDO)
C	More than 500 to 750	4(Other than MAPC & RDO)
D	Up to 500	4(Other than MAPC & RDO)

MSME Review / Renewal proposals beyond delegated powers of MAPCs:

Up to delegated powers of Branch: Branch to process.

Above Branch powers up to delegated power of MAPC – MAPC to process.

Above delegated powers of MAPC:

Branches to submit proposals directly to respective Zonal Offices for sanction / onward submission to Sanctioning authority.

MAPC will exercise discretionary power as hitherto:

Particular	MAPC Headed BY: AGM	MAPC Headed BY:CM
Single Exposure	10 Crore	3 Crore
Group Exposure	20 Crore	6 Crore

Takeover of MSME loans from Banks / Financial Institutions is permitted for MAPC Level Credit Committee (MAPCLCC) upto their delegated powers.

Committee on MAPCLCC-

Discretionary Authority of MAPC will be vested with a committee of 5 officers as follows:

1. Committee Head – AGM/CM of MAPC

MEMBERS:

1. Officer of Scale-III and above from Zonal Office who is working in Credit /Inspection/Credit Monitoring Vertical
2. Branch Manager (Scale-III and above, and whose agenda is not placed in the

said meeting
3. Manager/Senior Manager/Chief Manager of MAPC (Other than the Processing Officer)
4. Zonal Risk Officer

Minimum Quorum is 3 Members, Presence of MAPC Head and Zonal Risk Officer (ZRO) is compulsory.

Credit Review Model for MSME Proposals

Objective / Subjective Parameters in the Credit Review Model

- Aggregated risk score is arrived for the proposal as per the weights assigned to parameters (Objective/Subjective) and sub parameters. .
- 7 Objective parameters considered in the model are given in the figure below: -

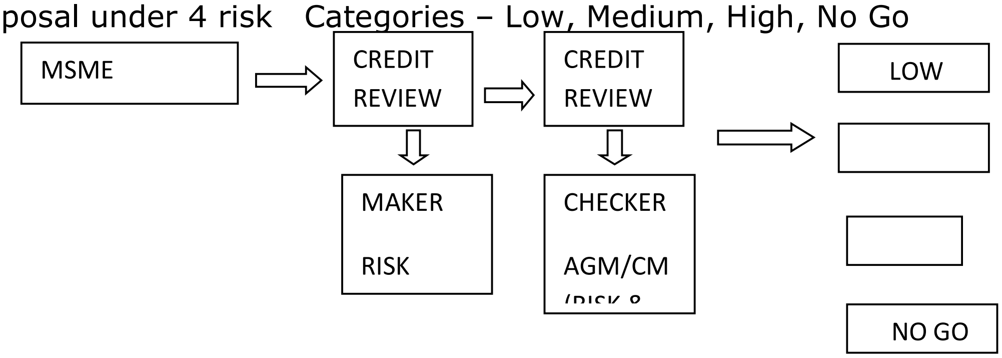
Major segment in Objective Rating Assessment	Important Parameters Covered
Company/Borrower	Constitution ,Board constitution and changes ,Movement of financial indicators, Financial indicators vis a vis peers etc.
Promoter/Group	Default History, Complexity of Structures, Group Financial indicators, tent of negative news on Promoters, Pledge of promoters share etc
Activity/Industry	Industry Outlook ,Impact from Government Policy ,Industry Life Cycle.
Security Coverage	Quality and Quantity of security vis –vis exposure ,Facility rating ,timelines in perfection security
Conduct of facilities	Financial discipline, History of restructuring etc
Rating	Movement of Internal/external rating, coverage of exposure by external rating agency etc
Regulatory Compliance	Movement of Statutory Dues, Provision made, Compliance of required laws etc.

Subjective parameters analyze risks unique to the proposal, company and Industrial like

- Qualification in TEV Study/Sector specific reports(TL).
- Product/Market concentration in Industry of the borrowing company.

Subjective parameter score is added to Objective parameter score to arrive at the Final Aggregate Risk Score.

Final Aggregate Risk Score assigned to the proposal is used to grade the proposal under 4 risk Categories – Low, Medium, High, No Go



Sanctioning Authority	Scrutinizing Committee
ZLCC/ZLSCC	FGM CAC
FGM CAC	COLCC-GM

The Link for accessing the Credit Review Application for the MSME proposals is given
below:-

http://10.100.12.218/credit_msme_model/cnet/ScoringLogin_AD.aspx.

With the purpose of building database / MIS for portfolio level analysis, to start with, credit review exercise for risk categorization should be carried out for MSME accounts for review / renewal also (with exposure Rs.10Cr - <Rs.50 Cr). Once all accounts are covered, the exercise will be restricted to fresh/enhancement only.

It is important to enter all the company particulars correctly, as the data fed can be used as MIS for important decisions such as Risk based Pricing, RAROC ,Distribution, Risk Management Analysis to be placed to Top Management/Board, Creation of PD pools, Cohort study, etc

DIGITAL LENDING PRODUCTS / PLATFORM FOR MSME:

IND GST Advatage: a digital product offering **Instant MSME Cash Credit Loan** (maximum Rs. 25 Lakh) to existing customers having GST registration through end to end digitalprocessing. Customers can avail the facility through any of the following channels:

Mobile Banking
Internet Banking
Indian Bank Website

The special benefits of IND GST Advantage:

- No Physical application.
- No customer visit to Branch
- No KYC verification as only KYC compliant customers are selected
- No manual appraisal and sanction by Branch
- No manual documentation – e-stamping and digital document execution through e-signing
- No manual account opening and disbursement
- **Instant sanction & disbursement**
- **Limit will be covered under CGTMSE**

IND DIGI MSME loan:

Our Bank has initiated "Project Wave" with an objective to digitize the way of doing business by the Bank. As a part of digital initiative our Bank has launched "IND DIGI MSME Jewel Loan – Branch Assisted"in order to reduce manual processing of MSME Jewel Loan

The salient points are as under:

1. Branch will be able to login through the following navigation:

Help Desk >> Department >> MSME Dashboard >> MSME Digital Products >> IND DIGI MSME Jewel Loan – Branch Assisted.

2. The benefits of IND DIGI MSME Jewel Loan – Branch Assisted are as under:

Reduced TAT.
Instant updation in CBS.
Pre-filled legal documents

IND DIGI Jewel Loan (Repladge):

In addition to above, Our Bank has also launched Digital Journey for MSME Jewel Loan (Re-Pledge) in order to provide a digital experience to the existing MSME Jewel Loan customers upto Rs. 35 Lakh, to improve the TAT with the existing security

Branch will be able to login through the following navigation: Help Desk >> Department >> MSME Dashboard >> MSME Digital Products >> IND DIGI MSME Jewel Loan – Branch Assisted.

MSME AUTO - RENEWAL: The scheme facilitating renewal of existing MSME Loans through straight through process (STP) by customers. MSME Accounts for Individuals and Sole Proprietor firms having exposure up to Rs.20.00 lakhs per CIF are eligible for auto renewal.

The salient points are as under:

1. The list of Accounts due for renewal is hosted in MIS Dashboard to be updated on daily basis.

Navigation: Help Desk >> MIS Corner >> MIS Dashboard >> MSME Department >> Branch Auto Renewal for MSME

2. The detailed guidelines on MSME auto renewal are enclosed as Annexure –I.

3. The detailed SOP for Branch Process is enclosed as Annexure –II.

4. The Customers will be able to login through any of the following channels for completing the

renewal process:

- Mobile Banking/IndOASIS App > Apply Loan > Renew MSME Loan
- Internet Banking > Login > My Accounts > Apply Loans > Renew MSME Loan
- Indian Bank web site (www.indianbank.in) - > Digital Lending > Renew MSME Loan

5. The detailed SOP for Customer Process is enclosed as Annexure –III.

6. The benefits of MSME auto renewal are as under:

- Reduced TAT.
- No Physical application by customer.
- No customer visit to Branch
- No manual intervention in appraisal and sanction.
- Instant updation in CBS.
- Intimation of Digital sanction & Key fact statement to the borrower.

7. Chief Manager(Credit) of each Zonal Office will be the point of contact and Nodal Officer for

monitoring the performance related to "MSME Auto Renewal" for the respective Zones.

CONTACTLESS BANKING PLATFORM FOR MSME LOANS

PSBLoansIn59Minutes

PSBLoansIn59Minutes is an online marketplace, which enables in-principle approval for MSME loans up to

₹5 crore in 59 minutes from Public Sector Banks. On this platform, MSME borrower is not required to submit any physical document for in-principle approval. The solution uses algorithms to analyse data points from various sources such as IT returns, GST data, Bank Statements, etc. After receivig the in-principle approval letter, the beneficiary is expected to contact the concerned branch to get the in-principle approval into regular sanction to obtain disbursement of the loan.

The government of India is offering many schemes related to loan so people can get a loan on low-interest rates through a new portal launched that makes it possible for interested candidates to apply for a loan in just 59 minutes. One can apply for this loan under the MSME schemes, MSME (Micro, Small and Medium Enterprises) which is regulated by the Central Government through the Ministry of Corporate Affairs.

The Hon'ble Union Minister of Finance and Corporate Affairs launched the platform on 25.09.2018 and our Bank is also on-boarded in the Platform.

The MSME entrepreneurs can access the platform through the following URL – website address: www.psbloansin59minutes.com

Through this platform any potential, aspiring MSME entrepreneur can login and submit his / her application & credentials like GSTN, PAN, Bank account Number etc., so that his/her application would be processed. Based on this analysis, a list of banks would be presented to him / her to choose from and then he / she can choose a branch of that chosen Bank. The Platform works like a Bank Bazaar.

Our Bank Specific URL for accessing the platform by MSME entrepreneurs is:

www.psbloansin59minutes.com/indianbank

By accessing through this URL, a potential MSME customer will be able to select one of our Bank branches only for submitting his / her application. Field level functionaries are advised to popularize this Bank specific URL among our customers and also among the new clients canvassed.

1. The URL for accessing the platform by a Banker to view the loan applications received, download reports etc.
Further, a Bank also can use this platform for appraising the application received through the platform

2. The platform is developed for setting a new benchmark in MSME loan processing and reducing Turn Around Time (TAT) significantly. It eases the journey of both MSME entrepreneur and Banker by leveraging databases of GSTN, IT Department, Credit Bureaus, Bank statements, etc. on real time basis before according in-principle approval to the applicant.

The platform is enabled both for applications with collateral security (outside CGTMSE / CGSSI) and without collateral security (with Credit Guarantee cover).
The proposal should be disposed off within 7 days for loans with Credit Guarantee Cover.
In case of proposals with collateral security, time frame for disposal of applications is as follows

Loans uptoRs 5 Lakhs	Within two weeks
Above Rs 5 Lakhs and up to Rs 25 lakhs	Within three weeks
Above Rs 25 Lakhs	Within six weeks

In case of any delay, due to genuine reasons, the branches should get specific approval from Zonal Office.

3. To begin with our 18 INDMSME Branches, 76 Specialized MSME Branches and 500 MSME focus branches are linked with the platform. The Branch Managers of these branches can access the platform with their official mobile number as User ID by generating OTP.

TReDS

TReDS (Trade Receivables Discounting System) is an institutional setup for flow of finance to micro, small and medium enterprises (MSMEs) through multiple financiers at a competitive rate. The model outlined for TReDS in the paper, envisages its operation both in primary market segment as well as a secondary market segment as authorised payment system under the Payment and Settlement System (PSS) Act, 2007. The activities of TReDS are also subject to supervision of RBI. TReDS is digital discounting of trade receivables for prompt encashment eliminating credit risk.

There are three direct participants involved in the activities of TReDS viz. i. MSME Sellers, (ii). Corporate Buyers, and (iii). Financiers. The TReDS will provide the platform to bring these participants together for facilitating uploading, accepting, discounting, trading and settlement of the invoices / bills of MSMEs. The bankers of MSMEs and corporate buyers will be provided with access to the system, wherever necessary, for obtaining information on the portfolio of discounted invoices / bills of respective clients.

The TReDS, which undertakes clearing and settlement activities, would be governed by the regulatory framework put in place by the Reserve Bank of India under the Payment and settlement Systems Act 2007 (PSS Act).

As per RBI's Master Direction on Priority Sector Lending – Targets and Classification dated 07.07.2016, latest updated on 01.08.2018, Point No. 7 (Micro, Small and Medium Enterprises), Clause No. 7.4.(iii), "Factoring transactions, taking place through the Trade Receivables Discounting System (TReDS) shall also be eligible for classification under Priority Sector upon operationalization of the platform". Accordingly the exposure under the TReDS platform shall be classified under MSME portfolio of the Bank.

Cost for onboarding the TReDS platform is Rs.5,000/ - to Rs.25,000/-. As a support during COVID scenario, SIDBI has setup a fund to support MSMEs to onboard in TReDS platform "at free of cost"called Swavalamban Crisis Responsive Fund. This is valid till 31.03.2021

Enlisting with TReDS platform by the Bank, as financier

As on date RBI has given approval to the following to set up and operate TReDS (Trade Receivables Discounting System).

a) NSE Strategic Investment Corporation Limited (NSICL) and Small Industries Development Bank of India (SIDBI), Mumbai - RXIL
b) Axis Bank Limited, Mumbai - INVOICEMART
c) Mynd Solutions Pvt. Ltd., Gurgaon, Haryana - M1 Exchange

MD & CEO is authorised to approve any platform from the list of entities approved by RBI to operate TReDS. General Manager / Department Head (DH) of functional Department of MSME is authorized to enlist the Bank on such approved platforms, and to execute the necessary agreement with the platform operators.

The fees payable by Bank to TReDS platform operator such as Registration expenses, annual expenses, transaction fee etc. are to be approved by Corporate Office level authorities delegated with powers.

The bills discounted are to be registered with Central Registry of Securitisation Asset Reconstruction and Security Interest of India (CERSAI), detailing Bank's charge

Policy on Restructuring of Micro, Small and Medium Enterprise Loans

Reserve Bank of India has further examined the stress continuing in MSME sector and with a view to support stressed MSMEs permitted a one-time restructuring of existing loans to MSMEs that are in default but 'standard' as on March 1, 2020, without a downgrade in the asset classification.
Based on this notification of RBI, our Board has approved the revised Policy on restructuring of MSME Loans, subject to the following conditions:

i. The aggregate exposure, including non-fund based facilities, of banks to the borrower does not exceed Rs.25 crores as on March 1, 2020.
ii. The borrower's account is in default but is a 'Standard asset' as on January 1, 2019 and continues to be classified as a 'Standard asset' till the date of implementation of the restructuring.
iii. The borrowing entity is GST-registered on the date of implementation of the restructuring. However, this condition will not apply to MSMEs that are exempt from GST-registration (details will be informed through SOP).
iv. The restructuring of the borrower account is implemented on or before March 31, 2021. However the restructuring would be treated as implemented only if the following conditions are met:
a. All related documentation, including execution of necessary agreements between lenders and borrower/creation of security charge/perfection of securities are completed by all lenders; and
b. The new capital structure and/or changes in the terms and conditions of the existing loans get duly reflected in the books of all the lenders and the borrower.
v. A provision of 5% in addition to the provisions already held, shall be made in respect of accounts restructured under these instructions. Banks will, however, have the option of reversing such provisions at the end of the specified period, subject to the account demonstrating satisfactory performance during the specified period (as explained in Part I of the Policy).
vi. Post-restructuring, NPA classification of these accounts shall be as per the extant IRAC norms.
vii. Banks shall make appropriate disclosures in their financial statements, under 'Notes on Accounts', relating to the MSME accounts restructured under these instructions
viii. All other instructions applicable to restructuring of loans to MSME borrowers shall continue to be applicable.

Policy on Resolution Framework 2.0 for Covid Related Stressed Assets of Individuals, Small Businesses and MSME – Amendment

Reserve Bank of India vide its following notifications has modified the Resolution Framework 2.0 guidelines by enhancing the aggregate exposure from Rs. 25 Crore to Rs. 50 Crore for applicability:

(i) RBI / 2021-22/47 DOR.STR.REC.21/21.04.048/2021-22 dated

04.06.2021 – for MSME
(ii) RBI/2021-22/46 DOR.STR.REC.20/21.04.048/2021-22dated 04.06.2021 – for Individuals and Small Business

In line with the above modifications, our Policy Resolution Framework 2.0 for Covid Related stressed Assets of Individuals, Small Business and MSME has been amended as under:

Sl. No.	**Policy guidelines Ref. No.**	**Existing**	**Revised**
1	3.1.3	The aggregate exposure, including non-fund based facilities, of all lending institutions to the borrower does not exceed **Rs. 25 crore** as on March 31, 2021.	The aggregate exposure, including non-fund based facilities, of all lending institutions to the borrower does not exceed **Rs. 50 crore** as on March 31, 2021.
2	3.1.5	The borrower's account was not restructured in terms of RBI notification Nos. DOR.No.BP.BC /4/21.04.048/2020-21 dated August 6, 2020; DOR.No.BP.BC.34/ 21.04.048/2019-20 dated February 11, 2020; or DBR.No.BP. BC.18/21.04.048/2018-19 dated January 1, 2019 (collectively referred to as MSME restructuring circulars) – for which MSME Restructuring Policy duly approved by Board on 08.01.2019 & 29.08.2020	The borrower's account was not restructured in terms of RBI notification Nos. DOR.No.BP.BC / 4/21.04.048/2020-21 dated August 6, 2020; DOR.No.BP.BC.34/ 21.04.048/2019-20 dated February 11, 2020; or DBR.No.BP. BC.18/21.04.048/2018-19 dated January 1, 2019 (collectively referred to as MSME restructuring circulars) **Or DOR.No.BP.BC /3/21.04.048/2020-21 dated 06.08.2020** – for which MSME Restructuring Policy duly approved by Board on 08.01.2019 & 29.08.2020

Sl. No.	Policy guidelines Ref. No.	Existing	Revised
3	4.1.2.2	Individuals who have availed of loans and advances for business purposes and to whom the lending institutions have aggregate exposure of not more than **Rs. 25 crore** as on March 31, 2021.	Individuals who have availed of loans and advances for business purposes and to whom the lending institutions have aggregate exposure of not more than **Rs. 50 crore** as on March 31,2021.
4	4.1.2.3	Small businesses, including those engaged in retail and wholesale trade, other than those classified as micro, small and medium enterprises as on March 31, 2021, and to whom the lending institutions have aggregate exposure of not more than **Rs. 25 crore** as on March 31, 2021.	Small businesses, including those engaged in retail and wholesale trade, other than those classified as micro, small and medium enterprises as on March 31, 2021, and to whom the lending institutions have aggregate exposure of not more than **Rs. 50 crore** as on March 31, 2021.

STRUCTURED LOAN PRODUCTS UNDER MSME

1. PMMY – (PRADHAN MANTRI MUDRA YOJANA) – MUDRA LOANS MANUFACTURING / SERVICES / TRADERS

Particulars	Guidelines
1. Target Group	All Micro Manufacturing / Service / Trading Units as per extant definition of Government of India
2. Eligibility	Individual / Proprietary / Partnership / Limited Liability Partnership (LLP) / Private Limited Companies
3. Purpose	Working Capital Requirements, Purchase of Fixed Assets, etc.

4. Types of Facility	MUDRA loans (MSME loan upto Rs.10.00 lakhs under the sub categories such as Shishu, Kishore and Tarun) both as working capital and term loans. <u>For Working Capital:</u> 1. 20% of the eligible working capital limit will be allowed to be operated through MUDRA card i.e MUDRA card limit will be 20% of the eligible working capital limit, for which a special Rupay Debit Card is introduced by our Bank. 2. 80% of the eligible limit should be given in the form of OCC.
5. Loan Amount	Maximum Exposure Rs.10.00 Lakhs under 3 categories. Shishu : Covering loans upto Rs.50,000/- Kishore : Covering loans above Rs.50,000/- and upto Rs.5 lakhs Tarun : Covering loans above Rs. 5 lakhs to Rs. 10 lakhs.
6. Margin (Promoter 's contribution)	Shishu Loans -- Nil Margin Kishore -- 10% Tarun -- 15%
7. Type of Assessment	As per guidelines of the Bank
8. Security	<u>Primary Securities:</u> ➢ Assets Created out of the loan. ➢ CGTMSE / CGFMU cover to be taken – Mandatory No collateral security or third party guarantee should be taken under this product.
9. Rate of Interest	As per guidelines from time to time.
10.Sanctioning Powers	As per Discretionary Power Booklet Administrative Approval has to be obtained from Zonal Office for sanction of Mudra Loans above Rs. 1 lakh, w.e.f., 01.4.2020.
11.Processing & other charges	All Charges are at Card Rate.

12.Others	1. GST Registration Number for applicant is mandatory, if not exempted as per GOI guidelines. 2. CGTMSE / CGFMU Coverage is mandatory. Annual premium to be paid within the stipulated time. All guidelines of CGTMSE / CGFMU scheme to be followed meticulously. 3. All securities should be adequately insured with Bank Clause – Premium to be borne by the borrower. 4. In case of accounts with annual turnover more than a 1.00 crores,audited financial statements to be submitted. 5. Units should be inspected atleast once in a quarter and condition of the working of the unit should be recorded. 6. End use of funds should be ensured by the Branch Manager and documentary proof for the same to be kept along with the documents. Stock statement for the first month after disbursement should be obtained and kept along with documents as a proof of enduse of working capital component and stamped receipt in respect of term loan component. 7. Proper care should be taken at pre sanction and post sanction stages. Branch Manager should ensure existence of the unit and pre Sanction Inspection report should be part of the documents.

PMMY – (PRADHAN MANTRI MUDRA YOJANA) – MUDRA LOANS

ALLIED ACTIVITIES

Particulars	Guidelines
1. Target Group	All Activities allied to Agriculture e.g. pisciculture, bee keeping, poultry, livestock rearing, grading, sorting, aggregation agro industries, dairy, fishery, agriclinics and agribusiness centers, food and agro processing etc (excluding crop loans, land improvement such as canal, irrigation, wells) shall be eligible for coverage under Pradhan Mantri Mudra Yojana (PMMY) in 2016-17– Priority Sector - as per extant definition.
2. Eligibility	Individual / Proprietary / Partnership / Limited Liability Partnership (LLP) / Private Limited Companies
3. Purpose	Working Capital Requirements, Purchase of Fixed Assets, etc.
4. Types of Facility	MUDRA loans (MSME loan upto Rs.10.00 lakhs under the sub categories such as Shishu, Kishore and Tarun) both as working capital and term loans. For Working Capital: 1. 20% of the eligible working capital limit will be allowed to be operated through MUDRA card i.e MUDRA card limit will be 20% of the eligible working capital limit, for which a special Rupay Debit Card is introduced

	by our Bank. 2. 80% of the eligible limit should be given in the form of OCC.
5. Loan Amount	Maximum Exposure Rs.10.00 Lakhs under 3 categories. Shishu : Covering loans upto 50,000/- Kishore : Covering loans above 50,000/- and upto 5 lakhs Tarun : Covering loans above 5 lakhs to 10 lakhs.
6. Margin (Promoter's contribution)	Shishu Loans -- Nil Margin Kishore -- 10% Tarun -- 15%
7. Type of Assessment	As per extant guidelines
8. Security	Primary Securities : ➢ Assets Created out of the loan. ➢ CGFMU cover to be taken – Mandatory No collateral security or third party guarantee should be taken under this product.
9. Repayment terms	As per extant guidelines of the Bank
10. Rate of Interest	As per guidelines from time to time.
11. Sanctioning Powers	As per Discretionary Power Booklet. Administrative Approval has to be obtained from Zonal Office for sanction of Mudra Loans above Rs. 1 lakh, w.e.f., 01.4.2020.
12. Processing & other charges	All Charges are at Card Rate.
13. Others	1) GST Registration Number for applicant is mandatory, if not exempted as per GOI guidelines. 2) CGFMU Coverage is mandatory. Annual premium to be paid within the stipulated time. All guidelines of CGFMU scheme to be followed meticulously . 3) All securities should be adequately insured with Bank Clause – Premium to be borne by the borrower. 4) In case of accounts with annual turnover more than Rs 1.00 crores, audited financial statements to be submitted. 5) Units should be inspected at least once in a quarter and condition of the working of the unit should be recorded. 6) End use of funds should be ensured by the Branch Manager and documentary proof for the same to be kept along with the documents. Stock statement for the first month after disbursement should be obtained and kept along with documents as a proof of end use of working capital component and stamped receipt in respect of term loan component. 7) Proper care should be taken at pre sanction and post sanction stages. Branch Manager should ensure existence of the unit and pre Sanction Inspection report should be part of the documents.

Administrative Approval for sanction of Loans under Mudra (PMMY) Scheme

With a view to bring in more controls and to avoid indiscriminate lending, Branches have to obtain prior Administrative Approval from Zonal Office before sanction of Loans under Mudra (Pradhan Mantri Mudra Yojana) Scheme for limits above Rs. 1 lakh with effect from 01.04.2020.

Mudra Loans includes the following category of loans upto Rs. 10 lakhs per borrower:

a) Loans sanctioned under Government sponsored schemes viz. Prime Minister Employment Guarantee Programme, TAHDCO, National Urban Livelihood Mission (NULM),EBC/ BC / SC /ST action plan etc. schemes for Non farm Sector and allied Agriculture.
b) Loans to Self Help Groups at urban centres for non-agri purpose
c) OD under Pradhan Mantri Jan Dhan Yojana (PMJDY)
d) Loans to MSMEs outside Government Sponsored Schemes without collateral
e) IB Weavers credit card.
f) Swarojgar credit card etc.

However the obtention of administrative approval is exempted for the following:

a) Loans to Self Help Groups at urban centres for non-agri purpose
b) OD under Pradhan Mantri Jan Dhan Yojana

For obtaining Administrative Approval, Branches have to submit basic details about the loan proposal, as per the prescribed format to Zonal Office. Zonal Managers should put in place a mechanism so that approval is accorded within T+1 day on receipt of the request from branches. The approval should also be in line with MoU /Annual action plan approved for the branch concerned.

Zonal Audit Committee of Executives (ZACE) may review the number of approvals, adherence to timelines etc. under this mechanism for better monitoring in their monthly meetings.

Weavers Mudra Scheme/CONCESSIONAL CREDIT SCHEME

<table>
<tr><th>Particulars</th><th>Guidelines</th></tr>
<tr><td>1. Objective</td><td>i) Aims at providing adequate and timely assistance from the Banking Institutions to the Handloom Weavers to meet their credit requirements for investments need as well as working capital in a flexible and cost effective manner. Also credit assistant to SHG / JLG/ Handloom Organisaton / SPV/ Handloom Producer company

ii) The scheme will be implemented both in Rural & Urban Areas.</td></tr>
<tr><td>2. Eligibility</td><td>All Individual Weavers and Weaver Entrepreneurs involved in Handloom weaving (Cotton & silk products) activities identified & sponsored by:
a. Development Commissioner (Handlooms & Textiles),
b. Director, Weavers Service Centre
c. Local State Governments Offices.

SHG / JLG/ Handloom Organisaton / SPV/ Handloom Producer company</td></tr>
<tr><td>3. Purpose</td><td>To meet the credit requirements of Weavers for investments need as well as working capital in a flexible and cost effective manner.</td></tr>
<tr><td>4.Types of Facility</td><td>Composite Term Loan /Term loan/ Working Capital</td></tr>
<tr><td>5. Loan Amount</td><td>Need based limit and Maximum Loan amount Rs.100.00 lakhs including WC & TL by way of Composite Term loan/TL/OCC</td></tr>
<tr><td>6.Margin</td><td><table><tr><td>Up to Rs.50,000</td><td>Nil</td></tr><tr><td>Above Rs 50,000 upto Rs 5.00 lacs</td><td>10% of</td></tr><tr><td>Above 5.00lacs to Rs 10.00lacs</td><td>15%</td></tr><tr><td colspan="2">Individual Handloom Weaver/Weaver Entrepreneur -Margin Money assistance @20% of loan amount, subject to maximum of Rs.25,000/-.

➢ Handloom organization - Margin Money assistance@20% of loan amount, subject to maximum of Rs.20.00 lakh (margin money @Rs.2.00 lakh for every 100 weaver/worker).Additional margin money requirement, if any as per banking norms will be borne by the beneficiary Agency.

➢ Margin money assistance to Primary Handloom Weavers' Co-operative Societies / Apex Handloom Weavers' Co-operative</td></tr></table></td></tr>
</table>

	Societies / State Handloom Corporations will be provided on the recommendation of State Director of Handlooms
7. Rate of Interest/ Commission	Repo + Spread Limits | Repo | Spread | Effective ROI Upto 2 lacs | 6.50 | 4.30 | 10.80% Above 2 upto 10 lacs | 6.50 | 4.95 | 11.45% Above 10 lacs upto 100 lacs | 6.50 | 5.35 | 11.85%
8. Interest Subvention	Difference between applicable ROI & 6% and maximum Interest Subvention would be capped at 7%. Applicable for maximum 3 years from the date of first disbursement.
9. a) Loan Tenor b) Moratorium Period	a) Loan Tenor - Maximum 3 years b) Moratorium Period - Maximum 6 months Working Capital loans must be renewed on annual basis subject to norms and need based enhancement to be considered within overall limit on satisfactory performance/conduct of account
10. Processing & other charges	For WC – Nil. For TL -1% as upfront fee Documentation Charges: Nil CIBIL Charges: Applicable charge Inspection Charges: Nil Review/Renewal Charges : Nil
11. Security	Hypothecation of assets I.e. raw material, Work in Progress, finished goods, Book debts, equipment, Plant & Machineries etc created out of Bank loan & margin. ➢ No collateral security will be required. ➢ No third party guarantees to be obtained. ➢ The Assets acquired out of Bank finance to be covered with adequate Insurance with Bank's Clause.
12. Credit Guarantee coverage and Tenure of Credit Guarantee Cover	The loans extended to the eligible handloom organizations will be guaranteed by the CGTMSE. Guarantee cover will be effective from the date of disbursement of loan for 3 Years The credit guarantee fee paid on disbursed loan amount will be refunded to beneficiary by GOI for period of 3 years Maximum Credit Guaranteed would be covered on the loan amount disbursed Up to Rs 1.00 crore
13. Sanctioning Authority	As per discretionary power booklet and circulars from time to time
14. Other Terms and Conditions	Margin money, Interest Subsidy and applicable Credit guarantee fee to be claimed through Handloom Weaver

	Mudra Portal developed with Punjab national Bank. Margin money ,Interest subsidy and Credit Guarantee Fees will be credited to respective loan account of the borrower through the portal. Visits to the Handloom weavers premises by Bank Official and review of operations in the account are to be used as tools for monitoring loan accounts covered under the scheme. Submission of Stock Statement and other financial statements are waived under the scheme. Branch Officials to visit the Unit every quarter to note the functioning of unit and details of available stocks. The same visit report may be used as Stocks statements for the purpose of complying the guidelines for classifying the advances as secured.

IB MUDRA – TVS KING

Particulars	Guidelines
1. Target Group	Micro and Small Enterprises / Entrepreneurs
2. Eligibility	Bonafide Road Transport Operators, having a valid "Driving License" issued from the competent transport authority, residing within the command area of the Branch. Applicant should have the "Road Permit", issued from the competent authority. A copy of the same should be obtained and kept on record.
3. Purpose	Term Loan for purchase of three wheeler autos from M/s. TVS Motor Co Ltd
4. Types of Facility	Term Loan
5. Loan Amount	Maximum – Rs.2.00 Lakhs
6. Margin (Promoter's contribution)	15%
7. Type of Assessment	Upto 85% of Invoice Value. (Cost of Vehicle + Road Tax + Insurance + Registration Charges + Body Building Cost + Meter Cost + Accessories)
8. Security	Primary: Hypothecation of vehicles purchased out of Term Loan. Collateral – NIL, CGTMSE Coverage to be obtained; Annual fee to be borne by the borrower.
9. Repayment terms	Repayable in 60 monthly instalments with a moratorium period of 3 months; Door to Door Tenor : 63 months Znterest to be serviced during holiday period.

10. Rate of Interest /	As per guidelines from time to time.
11. Sanctioning Powers	As per Discretionary Power Booklet
12. Take over	Not Applicable
13. Processing & other charges	Processing Charges: NIL All other charges are at Card Rate.
14. Others	1) GST Registration Number for applicant is mandatory, if not exempted as per GOI guidelines. 2) Benchmark Norms as per MSME Policy to be complied. 3) All securities should be adequately insured with Bank Clause – Premium to be borne by the borrower. 4) Documents and RTO vehicle transfer forms as required by Bank shall be obtained. 5) Borrower shall undertake to deposit subsidy, if any receivable under State Govt schemes, in the loan account and Branch shall follow up for disbursal of such subsidy directly to the Bank, based on such undertaking. 6) Periodic MIS on stressed accounts be shared with the dealers of TVS, for prompt recovery.

IND-SME Secure

Particulars	Guidelines
1. Target Group	All Micro, Small & Medium Enterprises (MSME) as per extant definition of Government of India
2. Eligibility	Both Existing and new units Finance can be extended to new units subject to the availability of 100% security in the form of immovable property / liquid security.
3. Purpose	Working Capital Requirements, Purchase of Fixed Assets, Construction of Building etc.
4. Types of Facility	All Fund Based and Non Fund Based limits
5. Loan Amount	Minimum Loan Amount: Above Rs.10.00 Lakhs Maximum Loan Amount: No Ceiling (For Secured Overdraft, maximum loan amount enhanced upto Rs.200.00 Lakhs per Borrower)

6.	Margin (Promoter's contribution)	As per MSME Policy For SOD Limit : 30% margin on Land and Building In case of extending loan to purchase Factory / Industrial land, minimum margin of 50% to be ensured. Loans for purchase of other land not permitted
7.	Type of Assessment	Working Capital (FB & NFB): As per Credit Policy For SOD : Assessment of limit should be done based on turnover method subject to availability of security value with stipulated margin. Drawing Power shall be based on property security value (Realizable sale value) Term Loan – Total Cost less Margin Financing for purchase of second hand machines is also permitted subject to the following conditions ➢ In case of indigenous machines, age of the machines should be maximum of three years and the residual life of the machine should be satisfactorily longer than the repayment period proposed. Second-hand machines to be financed should be valued by a panel engineer of the Bank, preferably by a Mechanical Engineer, certifying the
Particulars		Guidelines
		current value, residual economic life of those assets and the working conditions of the machines. ➢ In case of imported machines, the residual life of the machine should be satisfactorily longer than the repayment period proposed. An approved chartered engineer should be engaged to evaluate the economic/residual life of the machinery, its capacity, comparative worth, the working conditions of the machines etc. Bank Guarantee Limits – Based on the orders on hand / Need based facilities after covering the margin. IBN / FBN limits may be assessed as per extant guidelines (outside MPBF) and the same may be considered outside IND SME Secure.

8.	Security	Primary Security: Secured OD : Mortgage of immovable property OCC : Hypothecation of Stocks and Book Debts upto 90 days (can be extended to 180 days on a case to case basis depending upon nature of activity) TL – Machine / Bldg – Hypothecation / Mortgage of assets created out of the term loan. LC / BG / IBN / FBN – As per extant guidelines. Collateral Security: Secured OD : Hypothecation of stocks & book debts. Others : MORTGAGE of properties. Minimum 50% coverage of Bank Exposure (FB & NFB) by way of realizable sale value of immovable properties (Properties taken as primary and collateral), Cash Margin on NFB Limits and LIC Policy / NSC / RBI Bonds. Uncovered portion should be covered under CGTMSE upto eligibility. Personal Guarantee : From Promoters and Property owners • Open plot is restricted to consider as security for SOD
	Particulars	Guidelines

	lease hold properties, the same should be in select centers like metropolitan cities, State capitals, District Head quarters, approved Industrial Estates etc. where local development authorities of State / Central Governments have leased out such properties on long term lease (residual lease period shall not be less than proposed repayment period plus five years), with mortgage rights / permission to the lessee from the lessor. • Factory buildings: Factory buildings owned by the borrower / guarantor • Freehold residential plots and / or residential / commercial buildings owned by the borrowers & guarantors / lease hold properties of State Govt. development authorities like MMDA, DDA, CMDA, NOIDA etc. with mortgage rights / permission to lease from the lessor. • LIC policies, RBI bonds and NSCs shall be accepted as collateral security. • Hypothecation of machines can be accepted as security. However, residual value of machines / WDV of machines should not be included for assessing the Collateral security coverage as per the scheme • Properties belonging to the partners / directors can be taken as security. • Third party security (only owned properties and not lease hold properties) along with the personal guarantee of the third party property owner may be accepted subject to strict compliance of KYC norms. Powers for accepting third party security is vested with ZLCC for accounts upto ZLCC powers. Extant guidelines as per Credit Policy to be complied with. • Agricultural properties, disputed properties, properties attached by Tax authorities not to be considered for this purpose. Properties belonging to Trusts / HUFs not to be considered for this purpose.

Particulars	Guidelines

	• If any property held as security for the other credit limits like HL etc; sanctioned to the borrower / guarantor outside IND SME Secure, is extended to the credit facilities under IND SME Secure to the borrower, then, the residual value of the property should be calculated after taking the margin on the property stipulated as per sanction terms for that credit limits, for assessing the security coverage under IND SME Secure. **Open plot should not be considered as security for SOD purpose.**
9. Repayment terms (TL)	Maximum repayment period of 15 years Interest to be serviced during holiday period.
10. Rate of Interest / Commission for Non-Fund Based limit	ROI will be based on the extent of immovable / liquid security coverage detailed as under: For NFB Limits : Card rate
11. Sanctioning Powers	As per Discretionary Power Booklet
12. Take over	Take over guidelines as per Credit Policy
13. Processing & other charges	All charges at Card Rate.
14. Others	GST Registration Number for applicant is mandatory, if not exempted as per GOI guidelines. Benchmark Norms as per MSME Policy to be complied. All securities should be adequately insured with Bank Clause – Premium to be borne by the borrower. Pre-release Audit / Legal Audit are to be conducted as per extant guidelines of Credit Policy. Branch should ensure filing of charges and satisfaction of charges as applicable to other advances. Verification of Stocks and book debts (for OCC & SOD) to be carried out by branch official on monthly basis. For SOD, annual stock & book debt statement with agewise classification of book debts to be obtained. For OCC, Simplified monthly stock statement showing opening stock, purchases, cost of sales and closing stock to be obtained. Detailed stock and book debt statement (with age-wise break up) at the end of each quarter duly certified by CA to be obtained.

Availability of Security in the form of Immovable Properties / Liquid Security	Rate of Interest
Security : 100% or more 75% to Less than 100% 50% to Less than 75%	Card Rate (As per guidelines from time to time) Card Rate + 0.50% Card Rate + 1.00%

IB CONTRACTORS

Particulars	Guidelines
1. Target Group	Individual / Proprietor / Registered Partnership / Limited Liability Partnership (LLP) / Pvt & Public Limited Companies under Micro, Small & Medium Enterprises (MSME) as per extant definition of Government of India
2. Eligibility	All well established contractors (civil, mechanical, electrical etc.), performing contracts for Central / State Govt. / reputed PSUs / reputed Corporates. Contractors / Sub-Contractors should be in the line of business for 3 years & has earned continuous profit for last 2 years. Sub-Contractors are eligible for finance under the scheme subject to:- (a) Main contract should permit assigning job to sub-contractors. (b) Double finance should be avoided. GST registration of the borrower is mandatory, wherever applicable. Applicant Should have certificate under MSME Act, 2006 The applicant should have infrastructural facility to complete the project. The real estate / residential project should be RERA compliant as per the applicability in the respective states.
3. Purpose	To finance contractors carrying out work orders from various Central / State Govt departments /reputed PSUs/ reputed Corporates covers all aspects like purchase of machinery, working capital requirements etc.
4. Types of Facility	Fund Based: Secured OD / OCC / Term Loan / BP Non-Fund Based: Bank Guarantee / LC
5. Loan Amount	Minimum Loan Amount: Above Rs. 10 lakh per borrower Maximum: Rs. 10 Crores per borrower (FB+NFB) Rs. 20 Crores per group (FB+NFB)

6. Margin (Promoter's contribution)	50% on EM property for Secured OD 20% on Stock and Book Debts 20% on equipments / Term Loan 15% for Bill Finance. 10% against Guarantees / LC Others : As per MSME Policy Zonal Managers may relax the margin by maximum 10% for Fund Based Limits on case to case basis on merits.
7. Type of Assessment	Up to Rs 5.00 Cr: Turnover Method Above Rs 5.00 Cr: MPBF-2nd method /Modified MPBF/Cash Budget Term Loan : Total Cost Less Margin Others – Need Based basis
8. Security	8.1 <u>Primary Security:</u> SOD – EM of property (Min. 200% of the limit). *Agricultural property shall not be accepted. The security should be SARFAESI compliant. Third Party property along with personal guarantee of property owner may be accepted subject to strict compliance of KYC norms. Sanctioning of advances with third party security is vested with ZLCC for accounts upto ZLCC powers.* OCC - Stock and Book Debts (If stock value could not be assessed, same shall be excluded while arriving at Drawing Power. 100% collateral security in the form of Immovable Property / liquid security to be obtained.) MTL - Hypothecation of equipments purchased by availing MTL. BG- Counter guarantee by applicant. Cash margin by way of FDR. Portion uncovered by cash margin should be covered with value of security. LC- Cash margin by way of FDR and Hyp. of stocks procured against LC. BP- Undertaking from the debtors to make payment directly to the Bank.

	8.2 Collateral Security: In case of OCC, 100% collateral security coverage in the form of immovable property / liquid security to be obtained.
9. Repayment terms	Term Loan shall be repayable in maximum of 84 months, including holiday period. Interest to be serviced during holiday period. Tenor of Bank guarantees as per Credit Policy norms.
10. Rate of Interest / Commission for Non-Fund Based limit	As per guidelines from time to time.
11. Sanctioning Powers	As per Discretionary Power Booklet
12. Take over	Takeover of accounts from other Banks is permitted subject to compliance with prescribed take over norms.
13. Processing & other charges	All Charges are at Card Rate
14. Others	Benchmark Norms as per MSME Policy to be complied. All securities should be adequately insured with Bank Clause – Premium to be borne by the borrower. Pre-release Audit / Legal Audit are to be conducted as per extant guidelines of Credit Policy. For NFB Facility: • Bank Guarantee Audit to be conducted once in a year for BG limit above Rs.2.00 Crores. • The project receipts, monthly stock statements and cash flow statements to be submitted. Two valuation reports from different panel valuers shall be obtained. Legal Audit to be conducted irrespective of limit. Quarterly progress report in respect of contracts against which bank guarantees are outstanding should be obtained and analysed. Guarantees should be extended after looking into the reasons for seeking such extensions and not as a matter of routine. EM property to be inspected on half yearly basis by bank officials. QIS and CMA may not be insisted upon. Stocks and Book Debts Audit to be insisted as per our bank guidelines.

	14.12 Eligible contractors shall have the option to avail credit facilitiesunder Ind SME Secure Scheme.

IB DOCTOR PLUS

Particulars	Guidelines
1. Target Group	Micro, Small & Medium Enterprises (MSME) – Service Enterprises
2. Eligibility	Individuals / registered partnership firm / Limited Company / Trust etc. Key promoters or their spouse should be qualified medical practitioners, with satisfactory track record. Passed out students from various streams (Medicine, Dental etc.) planning to set up their diagnostic centre / clinics in India. To be eligible for this, the student must have completed the course in MBBS / BDS / BAMS / BUMS from 127ecognized / approved college.
3. Purpose	Working Capital requirements, For Purchase/ Construction of Hospital / To set up clinic, clinic cum residence, nursing home (Allopathi, Homeopathy, Ayurvedic etc.), Machinery / Equipments etc. Second hand machinery should not be considered for financing.
4. Types of Facility	Fund Based: Working Capital / Term Loan Non-Fund Based: LC
5. Loan Amount	Minimum Loan Amount: Rs.1.00 Lakh Maximum: No Ceiling For fresh passed out students – Maximum exposure is Rs.2.00 Crores andif collateral security is not available, CGTMSE coverage is to be ensured.
6. Margin (Promoter's contribution)	As per MSME Policy
7. Type o fAssessment	Working Capital: Cash Budget Method Term Loan : Total Cost Less Margin LC – Need Based basis

8. Security	As per MSME Loan Policy Loans upto Rs.10 lakhs: Primary Security : Hypothecation of assets created out of loan amount. Collateral Security: If Primary Security plus Collateral Security is held in the form of immovable properties with 100% coverage, CGTMSE cover need not be insisted. If Primary security plus Collateral Security is held in the form of immovable properties with less than 100% coverage, CGTMSE with Hybrid security to be obtained. Loans above Rs 10 lakhs to Upto Rs.2.00 Crores: ➢ Should be covered under CGTMSE. No Collateral Security / Third party guarantee to be obtained. ➢ If Primary Security plus Collateral Security is held in the form of immovable properties with 100% coverage, CGTMSE cover need not be insisted. ➢ If Primary security plus Collateral Security is held in the form of immovable properties with less than 100% coverage, CGTMSE with Hybrid security to be obtained. For Medium Enterprises, Security coverage should be at a minimum of 100% in the form of immovable properties (Primary + Collateral Security). For Above Rs.2.00 Crores: Branch should obtain 100% security in the form of LIC policy (Surrender Value) assigned in favour of the Bank or other immovable properties (Primary and Collateral), so as to ensure compliance with Loan Policy guidelines in respect of security coverage.
9. Repayment terms	As per MSME/Credit Policy in force
10. Rate of Interest / Commission for Non-Fund Based limit	As per guidelines from time to time
11. Sanctioning Powers	As per Discretionary Power Booklet
12. Take over	Takeover of accounts from other Banks is permitted subject

	to compliance with prescribed take over norms
13. Processing & other charges	13.1 Processing Charges: Upto Rs 5 lac: Nil for first time borrowers Above Rs 5 lac: 0.30% on loan amount. All other charges are at Card Rate.
14. Others	Benchmark Norms as per MSME Policy to be complied. All securities should be adequately insured with Bank Clause – Premium to be borne by the borrower. Pre-release Audit / Legal Audit are to be conducted as per extant guidelines of Credit Policy

IB TRADEWELL

Particulars	Guidelines
1. Target Group	All Trading Units classified under MSME as per the definition of MSMED Act.
2. Eligibility	The Traders should have minimum one year experience with good standing in the market. Finance can be extended to new units subject to the availability of minimum 75% collateral security in the form of immovable property / liquid security.
3. Purpose	Working Capital needs. Term Loan for acquisition of fixed asset, modernization of business place/office.
4. Types of Facility	Fund Based: OCC / EPC / Term Loan / Secured OD / IBN / FBN / FBP Non-Fund Based: LC / BG
5. Loan Amount	Minimum Loan Amount: Above Rs.10.00 Lakhs Maximum Loan Amount: Term Loan : Rs.5.00 Crores Others : No Ceiling Fund Based WC : Upto Rs.2.00 Crores – Secured OD / OCC / PC Above Rs.2.00 Crores – OCC / PC 50% of the TL financed may be allowed for acquiring / construction of premises, godowns on ownership basis required for running the business while the remaining 50% may be sanctioned for other Fixed Assets relevant to the business.

6. Margin	6.1 Secured OD : Upto Rs.0.50 Crores – 33% on Immovable property. Our Bank Deposits / NSC – 10% Above Rs.0.50 Crores & upto Rs.2.00 Crores –40% on Immovable property / Our Bank Deposits / NSC – 25% Government Securities – 20% 6.2 OCC: Stock : 25 % Book Debts : 30% up to 90 Days. (Book Debts above 90 Days to upto 180 days can be considered by respective sanctioning authority on case to case basis depending on nature of industry)
	For NFB Limits : Card rate
Particulars	Guidelines
	Above Rs.0.50 Crores & upto Rs.2.00 Crores – 40% on Immovable property Our Bank Deposits / NSC – 25% Government Securities – 20% If agricultural land situated at places other than rural areas is offered as Primary Security (To be considered by ZLCC) – Margin at 50% Realizable Sale Value OCC : 15% on Stocks and Book Debts All others as per MSME Policy.
Type of Assessment	Working Capital (FB & NFB): As per MSME Policy While assessing eligible working capital limit under turnover method,adequate care should be given in case of accounts wherein the period ofworking capital cycle is less like Petrol Bunk etc. Term Loan – Total Cost Less Margin Bank Guarantee / LC – Need based after covering the margin. ZLCC may consider taking agricultural land situated at places other thanrural area as collateral security or primary security subject to verificationof local laws as to permissibility of taking such property as security,including extension of Security.In case of new units, reasonable projected sales and profitability shouldbe considered depending on the merchandise under trade, market potential, experience vis-à-vis financial capacity of the borrower etc.
Security	8.1 Primary Security: Secured OD : EM of properties Other Tangible Security i.e. Our Bank Deposits / NSC etc.

<table>
<tr><td></td><td>OCC : Hypothecation of Stocks and Book Debts upto 90 days
TL - Machine / Bldg - Hypothecation / EM of assets created out of the term loan.
LC / BG / IBN / FBN – As per extant guidelines.
For NFB: Portion uncovered with cash margin shall be covered</td></tr>
<tr><td></td><td>with realizable sale value of EM property / liquid securities.
8.2 Collateral Security:
Secured OD : Hypothecation of stocks & book debts equal to the limit sanctioned.
Others : Immovable property (Primary + Collateral) and / or liquid securityvalue should be atleast 50% of the limit sanctioned.Minimum 50% coverage of Bank exposure (FB + NFB) by way of realizablesale value of immovable properties (Primary + Collateral), can beconsidered by Sanctioning Authority, subject to the additional rate of interest.Personal guarantee of Proprietor / Partners / Directors for all the cases.Taking leased properties as Primary / Collateral security :
While the branches may strive for freehold properties, in selectedmetropolitan centres like Mumbai, Delhi, Chennai, Kolkata and centreswhere Local Development Authorities / Housing Development Corporationsof State Government let out properties on long term lease, ZLCC mayexercise discretion to approve leasehold (instead of freehold) properties asprimary/collateral under the Trade Well Scheme.Precautions as to proper assessment of value of leasehold rights should be taken.</td></tr>
<tr><td>Repayment terms (TL)</td><td>Maximum 84 months (excluding holiday period of 6 months) with compliance of DSCR as per MSME Policy / Credit Policy.
ZLCC may consider upto 120 months (including holiday period of 6 months)
with DSCR Compliance as per MSME Policy / Credit Policy.</td></tr>
<tr><td>Rate of Interest / Commission for Non-Fund Based limit</td><td>ROI will be based on the extent of immovable / liquid security coverage as detailed as under
<table>
<tr><td>Availability of Security in the form of Immovable Properties</td><td>Rate of Interest</td></tr>
<tr><td>Security:
100% or more
75% to Less than 100%
50% to Less than 75%</td><td>Card rate (As per guidelines from time to time)
Card Rate + 0.50%
Card Rate + 1.00%</td></tr>
</table></td></tr>
</table>

Sanctioning Powers	As per Discretionary Power Booklet
Take over	As per Credit Policy
Processing & other charges	Processing Charges: a. Processing Charges: 50% concession at the time of fresh and renewal sanction . b. Full waiver in case of takeover from other bank
Others	Benchmark Norms as per MSME Policy to be complied. All securities should be adequately insured with Bank Clause – Premium to be borne by the borrower. Waiver of burglary insurance can be permitted by ZLCC after satisfying that alternatives are sufficient to overcome the same. Pre-release Audit / Legal Audit are to be conducted as per extant guidelines of Credit Policy. **Stock statement is to be submitted on a quarterly basis irrespective of limit sanction OCC /SOD.** For non-submission of stock statements beyond 21 days from the specified date, an additional interest at 1% on the entire outstanding should be levied till submission of stock statement. Stock inspection to be conducted once in a quarter and recorded

IND-SME MORTGAGE

Particulars	Guidelines
1. Target Group	All Micro, Small & Medium Enterprise (MSME) both Manufacturing and Service as per extant definition of Government of India.

2.	Eligibility	Existing & New Units – Proprietorship concern / Partnership Firm / Private Limited Company / Public Limited Company / Limited Liability Partnership Firm (LLP) (In case the applicant is an individual i.e., professional, self-employed etc. engaged in the activity classified under MSME, the mortgage loan shall be considered under "IND MORTGAGE" Scheme with the terms and conditions applicable for the said scheme and the limit is to be classified as MSME as stipulated in the IND MORTGAGE Scheme). Entry Level Age / Exit Level Age of the owner/s of the immovable property offered as security Minimum entry level age : 18 years Maximum exit level age : 70 years ZLCC can relax upto 75 years FGM can relax upto 80 years
3.	Purpose	Genuine business needs viz. expansion of capacity, purchase of assets meant for the unit.
4.	Types of Facility	Term Loan only
5.	Loan Amount	5.1 Minimum Loan Amount: New customers : Rs.10 lakhs Existing customers : Rs. 1 lakh* * total of existing limit & proposed limit should be more than Rs. 10 lakhs 5.2 Maximum Loan Amount: 25.00 Crores (with step down Overdraft facility)
6.	Margin	40% of the security value. (40% of residual value, if residual value of the security is considered) Maximum 10% relaxation in margin shall be permitted by ZLCC for sanctions upto ZLCC powers & by respective sanctioning authorities for sanctions under the powers of COLCC GM and above. It should be ensured that minimum margin requirement 40% / 30% as per sanction is maintained till the entire repayment period of the loan.
7.	Type of Assessment	Not applicable
8.	Security	Primary Security: Immoveable property proposed to be mortgaged Collateral Security: Extension of charge over existing Factory Land and Building, Plant and Machinery and Current Assets of the unit. The residual life of the building should be atleast 10 years more than the proposed repayment period. CGTMSE : Not applicable Personal Guarantee:

	Personal Guarantee of property owner/s whose security has been considered. Corporate Guarantee of group concern/s which had offered the security. Personal Guarantee of Partners / Directors as per extant guidelines. (a) The immovable property offered as security should be SARFAESI Compliant. (b) The immovable property offered should be located in Tier I to Tier 4 Centres. Property located in Tier 5 & Tier 6 (i.e. centres with population less than 10000) should not be accepted as security for considering loan under this product. (c) The Security can be • Factory Land: Factory land, either freehold or lease hold. In case of lease hold properties, the same should be in select centres like metropolitan cities, State capitals, District Headquarters, approved Industrial Estates etc. where local development authorities of State / Central Governments have leased out such properties on long term lease (residual lease period should not be less than proposed repayment period (door to door tenor) plus Ten Years), Leasehold amount is fully paid upfront and with mortgage rights / permission to the lessee from the lessor. • Factory buildings • Freehold residential / commercial plots and / or residential / commercial buildings • Leasehold residential properties allotted by State Govt. development authorities like MMDA, DDA, CMDA, NOIDA etc. wherein residual lease period should not be less than proposed repayment period (door to door tenor) plus Ten Years, Leasehold amount is fully paid upfront and with mortgage rights / permission from the lessor.
Particulars	Guidelines
	(d) The property offered as security can be held by • MSME enterprise (applicant) OR • Proprietor/ Proprietrix, his / her Spouse, Adult Children and Parents OR • Partners OR • Directors / Shareholders (major shareholder i.e., more than 5%) OR

	• Group concern/s (e) Agricultural properties, disputed properties, properties attached by Tax authorities, Properties belonging to Trusts / HUFs are not to be considered as security. (f) The residual value of property/ies already mortgaged with us (subject to compliance of (a) to (e) can be considered as security. (g) The security should be exclusively charged to our Bank i.e., charge on Paripassu basis, first / second charge etc. not to be accepted as Security (h) The property held as security for this loan can be extended for other facility / ies sanctioned by our Bank to the applicant concern or group accounts (however only on residual value after ensuring adequate margin for this limit) If Vacant Land is to be considered as security, and there is no deviation in norms of the scheme, the proposal should be referred to COLCC(GM) for sanction. If Vacant Land is to be considered as security and with deviation in norms of the scheme, the proposal should be referred to COLCC (ED) for sanction.
9. Repayment terms	Repayment Period: Maximum 120 months (Door to Door tenor) Max period can be extended to 180 m by ZLCC Holiday Period / Moratorium Period: Maximum 6 months from the date of disbursement. Method of Repayment: a. Principal in equal Monthly Installments. b. Equated Monthly Installments (EMIs) c. Negotiated repayment of principal - Ballooning repayment based on repaying capacity
Particulars	Guidelines
	Interest to be serviced during holiday period. While fixing repayment period, projected cash flow of the applicant and residual life of the building (which is offered as security) is to be taken into account.
10. Rate of Interest	As per guidelines from time to time. Upto 50 lakhs : As applicable for MSME products (accounts for which RAM rating is not mandatory) Above 50 lakhs : As applicable to Ind SME Secure.

	Finer Rate of Interest : Delegation - As per Discretionary Power Booklet
11. Sanctioning Powers	As per discretionary authority
12. Take over	Permitted. Takeover guidelines as per Credit Policy in force are to be complied with. For exposure under MDL powers, BM to get administrative clearance from ZLCC.
13. Processing & other charges	All applicable Charges are at Card Rate
14. Others	Benchmark Norms as per MSME Policy to be complied. All securities should be adequately insured with Bank Clause – Premium to be borne by the borrower. Pre-release Audit / Legal Audit are to be conducted as per extant guidelines of Credit Policy. It should be ensured that this loan amount is not utilized as margin for any other Term Loan availed / to be availed by the applicant. A Declaration from the borrower that the loan amount have been utilized for the purpose/s for which it is sanctioned, to be obtained, to ensure end use of loan. In case of existing securities, where the residual value to be considered, the valuation report should not be fresh valuation and neither it should be more than 3 years old. Bank officials should visit the property and satisfy themselves about the approachability, marketability and value of the property before sanction. The value of the property should be discreetly enquired by the Bank officials and reasonableness of valuation reported by panel valuer should be ensured. A report about this should form part of the appraisal.

IND-MSME VEHICLE

Particulars	Guidelines
1. Target Group	All Micro, Small & Medium Enterprises (MSME) as per extant definition of Government of India.

2. Eligibility	Proprietorship Concern / Partnership Firm / Private Limited Company / Public Limited Company / Limited Liability Partnership (LLP) • All existing MSME clients with satisfactory promoter/s' track record, group affiliation and viable project/s, with or without credit facilities, should have maintained satisfactorily operated account at least for the last one year. • Applicant should have Road Permit issued by Competent Authority. • No relaxation is permitted below Combined Rating "A" category for exposure (existing plus proposed facility) of Rs.50.00 Lakhs and above • New borrowers with experience in the business can be considered with 100% collateral coverage.
3. Purpose	Financial Assistance for purchase of new vehicle (LMV /HMV) for existing MSME units meant for transport of Men and Material (This includes Car, Tempos, Mini Van, Trucks etc.)
4. Types of Facility	Fund Based: Term Loan
5. Loan Amount	Maximum Loan Amount: Rs.200.00 lakhs.
6. Margin (Promoter's contribution)	15%
7. Type of Assessment	Total Cost (On Road Price) Less Margin (On Road Price = Cost of Vehicle + Road Tax + Insurance + Registration Charges + Body Building Cost + Meter Cost + Accessories)
8. Security	Primary Security: Hypothecation of vehicles purchased out of Term Loan. Collateral Security: • For the accounts already covered under CGTMSE : Coverage should be extended for this product too (The annual service fee to be borne by the borrower). • For accounts other than CGTMSE – Immovable Properties need to be taken / extended with a minimum RSV of 50 % of the loan as per laid down procedure. • Guarantor/s wherever applicable (In case of CGTMSE, third party guarantee should not be obtained.)
Particulars	Guidelines

9. Repayment terms	In case of LMV : 60 EMIs commencing from next month from the date of disbursement of loan In case of HMV : Principal in equal Monthly Instalments and Monthly interest is to be serviced then and there; Holiday Period : Maximum 3 Months from the date of disbursement of loan; Repayment Period : Maximum 60 months (Door to Door tenor) i.e., total tenor including holiday period should not exceed 60 months. While fixing repayment period, projected cash flows of the applicant / DSCR are to be taken into account.
10. Rate of Interest	As per guidelines from time to time Penal Interest : At the rate of 2% p.a. over and above the prescribed interest rate from the date of default till the repayment of entire dues.
11. Sanctioning Powers	As per Discretionary Power Booklet
12. Take over	Not Permitted
13. Processing & other charges	Processing Charges: 50% of Processing charges as applicable to Term Loans, subject to a maximum of Rs.5000/- in case of LMV & Rs.10000/- in case of HMV Annual Review Charges: NIL All other charges are at Card Rate.
14. Others	Benchmark Norms as per MSME Policy to be complied. All securities should be adequately insured (Comprehensive insurance) with Bank Clause – Premium to be borne by the borrower. Pre-release Audit / Legal Audit are to be conducted as per extant guidelines of Credit Policy Amount will be remitted directly to the dealer / supplier by means of DD / NEFT / RTGS. There should not be any bar on issuance of Permits / licenses for such vehicles in the area of operations. Documents and RTO vehicle transfer forms as required by Bank shall be obtained. Borrower shall undertake to deposit subsidy, if any receivable under State Govt. schemes, in the loan account and Branch shall follow up for disbursal of such subsidy directly to the Bank, based on such undertaking.

IB MY OWN SHOP

Particulars	Guidelines
1. Target Group	All Micro, Small & Medium Enterprises (MSME) as per extant definition of Government of India
2. Eligibility	Individuals, Professionals and Self employed people, firms (registered partnership firms, companies) and businessmen. The applicant should have been in the activity for a minimum period of 3years (Can be reduced to 2 years by ZLCC) Applicant should not be more than 50 years of age at the time of availing the facility (can be extended upto 60 years by ZLCC).
3. Purpose	To purchase new commercial space / shop and also second hand purchase provided the residual life of commercial space is not less than actual repayment period plus 2 years, and / or fresh construction, renovation of the business premises. Estimates to be vetted by panel valuer and all statutory approvals to be ensured. The property to be acquired should be for own business.
4. Types of Facility	Term Loan
5. Loan Amount	In case of individuals / professionals, 36 times monthly gross income or 60months net income, whichever is higher. In case of self employed professionals, gross income net of tax before deducting depreciation may be considered while computing the eligible amount. Income of co-borrower can be included in arriving the quantum. In case of firms / company, five times the cash profit of immediate preceding year or four times average cash profit for last three years, whichever is higher Maximum Loan amount - Rs.10.00 Crores
6. Margin (Promoter's contribution)	Minimum 25% on the cost of property In case of purchase of ready built commercial space, the borrower should bring in full margin amount prior to release of limits by the Bank. It shall be on pro rata basis where construction is involved.

7. Type of Assessment	Total Cost less Margin, subject to a maximum amount of Rs.10.00 Crores.
8. Security	EM on commercial property to be acquired Personal guarantee of partners / directors in individual capacity No collateral / third party guarantee to be taken for loans upto Rs.10 lakhs to MSE borrowers and accounts to be covered under CGS of CGTMSE
9. Repayment terms &Holiday period	As per MSME Policy Holiday Period : • For Ready Built Commercial Space : Maximum of 3 months • Property under construction : Maximum of 12 months from date offirst disbursement. Interest to be serviced during holiday period.
10. Rate of Interest	As per guidelines from time to time
11. Sanctioning Powers	As per Discretionary Power Booklet
12. Take over	Takeover is permitted subject to the compliance of takeover norms
13. Processing & otherharges	Processing Charges: 0.60% of loan amount All other charges are at Card Rate.
14. Others	GST Registration Number for applicant is mandatory, if not exempted as per GOI guidelines. Benchmark Norms as per MSME Policy to be complied. All securities should be adequately insured with Bank Clause – Premium to be borne by the borrower. Pre-release Audit / Legal Audit are to be conducted as per extant guidelines of Credit Policy Satisfactory credit opinion from existing banker in case of takeover of limits. NOC from builder / housing society wherever applicable. Wherever license is required, they should get the same fromcompetent authority 14.8 In the Building plan, it should be approved by competent authority ascommercial and no deviations should be allowed from the approved plan

IND-SME EASE

Particulars	Guidelines
1. Target Group	All Micro, Small & Medium Enterprises (MSME) as per extant definition of Government of India.

2.	Eligibility	Existing units (Individual / Proprietorship Concern / Partnership firm / Private Limited Company / Public Limited company / Limited Liability Partnership firm (LLP) with the following conditions:- • GST and Udyog Aadhar Registration is mandatory. • GST returns should have been filed atleast for the past two years. The Entry level age / Exit level age of the individual applicant / Proprietor/ix /any one of the partners in case of partnership firm: Minimum entry level age : 18 yearsExit level age : 70 years ZLCC may relax exit level age upto 75 years and FGM and above may relax exit level age upto 80 years. Tieup with M/s NSDL e-Gov for accessing the GSTIN data
3.	Purpose	To meet working capital requirements
4.	Types of Facility	Open Cash Credit. Based on the request of the applicant, a portion of the assessed limit or entire limit can be considered as Composite Loan.
5.	Loan Amount	Minimum Loan Amount: Above Rs.10.00 Lakhs Maximum Loan Amount: Less than Rs.50.00 Lakhs
6.	Margin	NIL
7.	Type of Assessment	Assessment Method: Turnover method • Sales declared in GST return during the past twelve months should be treated as Turnover for assessing the limit. • GST site must be accessed for cross-verification of turnover declared by the applicant. While verifying, it should be ensured that a) Sales declared pertain to the business activity of the applicant b) exempted sales declared are genuine. Assessment of Limit for Sanction: Sales declared in GST return during the Past 12 months : A Eligible Limit : 25% of A

	If the applicant is already enjoying WC Limit with our Bank, existing limits to be absorbed in this limit. Total Limit including existing limits should not exceed the maximum eligible limit less than Rs. 50.00 Lakhs.
8. Security	Primary Security : Hypothecation of Stock and Book debts – based on the declaration submitted by the borrower before availing the limit and at the time of review / renewal of limit/s. Collateral Security : (immovable property / Liquid Securities): For Micro & Small Units: Loan may be considered with or without collateral security. If no collateral security is offered, CGTMSE coverage is Mandatory. Partial security is also permitted by covering the unsecured portion under CGTMSE. Guarantee fee is to be borne by the borrower. For Medium Enterprises: 100% Collateral Security 1. The immovable property offered as collateral security should be SARFAESI compliant. 2. The Security can be • Factory Land: Factory land, either freehold or lease hold. In case of lease hold properties, the same should be in select centers like metropolitan cities, State capitals, District Headquarters, approved Industrial Estates etc. Where local development authorities of State / Central Governments have leased out such properties on long term lease (residual lease period shall not be less than proposed repayment period plus five years), with mortgage rights / permission to the lessee from the lessor. • Factory buildings • Freehold residential / commercial plots and / or residential / commercial buildings • Lease hold residential properties allotted by State Govt. Development authorities like MMDA, DDA, CMDA, NOIDA etc. With mortgage rights / permission from the lessor. 3. The property offered as security can be held by • MSME enterprise (applicant) OR • Proprietor/Proprietrix, his / her Spouse, Adult

	Children and Parents OR • Partners OR
	• Directors / Shareholders OR • Group concern/s Agricultural properties, disputed properties, properties attached by Tax authorities, Properties belonging to Trusts / HUFs are <u>not to be</u> considered as security. The residual value of property/ies already mortgaged with us (subject to compliance of 1 to 4) can be considered as security. 6. The security should be exclusively charged to our Bank i.e., charge on Paripassu basis, first / second charge etc. Not to be accepted as Security 7 The property held as security for this loan can be extended for other facility / ies sanctioned by our Bank to the applicant concern or group accounts. Personal Guarantee : Personal Guarantee of Property Owner/s whose security has been considered Corporate Guarantee of group concern/s which had offered the security Personal Guarantee of Partners / Directors as per extant guidelines.
9. Repayment terms (TL)	Composite Loan – 120 months without any holiday period
10. Rate of Interest	As per guidelines from time to time
11. Sanctioning Powers	As per Discretionary Power Booklet
12. Take over	Not Permitted
13. Processing & other charges	All charges are at Card Rate

14. Others	All securities should be adequately insured with Bank Clause – Premium to be borne by the borrower. Pre-release Audit / Legal Audit are to be conducted as per extant guidelines of Credit Policy. Drawing Power for OCC limit must be fixed once in a quarter based on the turnover declared by the borrower in GST return during the past twelve months. Calculation of Drawing Power: Sales declared in GST return during the past 12 months : AEligible DP : 25% of A (B) Sanctioned Limit : C Drawing Power : B or C whichever is less Audited financials to be obtained where turnover exceeds Rs.1.00 Crore. Quarterly Stock / Book Debt statements are to be obtained. Quarterly unit vist to be done. If the applicant is already enjoying WC limit with other Banks, the limit should be adjusted and No due certificate is to be obtained before availing limit from our Bank under this product.

IND-SME E-VAAHAN

Particulars	Guidelines
1. Target Group	All Micro, Small & Medium Enterprises (MSME) as per extant definition of Government of India
2. Eligibility	Individual / Proprietorship concern / Partnership Firm / Private Limited Company / Public Limited Company / Limited Liability Partnership Firm / Trust The Entry level age / Exit level age of the individual applicant / Proprietor/ix /any one of the partners in case of partnership firm: Minimum entry level age : 18 years Exit level age : 70 years ZLCC may relax exit level age upto 75 years and FGM and above may relax exit level age upto 80 years. (For other entities, entry / exit level age criteria need not be reckoned).

3.	Purpose	• For purchase of 2 / 3 / 4 wheeler electric vehicles (New vehicle) by MSMEs for the business purpose. • 2 wheeler - for delivering goods to their clients at door step etc. • 3 wheelers – AutoRickshaw passenger vehicles, commercial vehicle for transporting material. • 4 wheelers - passenger vehicles for official use by MSMEs / commercial vehicle for transporting material.
4.	Types of Facility	Fund Based: Term Loan
5.	Loan Amount	Maximum Loan Amount: No ceiling More than one vehicle per borrower can also be considered.
6.	Margin (Promoter's contribution)	15% on "On Road" cost of the vehicle (ZLCC and above level sanctioning authority may relax this by 5%)
	Particulars	Guidelines
7.	Type of Assessment	7.1 Term Loan: Total Cost Less Margin
8.	Security	Primary Security: Vehicle/s purchased out of the Loan. Collateral Security: a) Loans to Micro & Small Enterprises should be covered under CGTMSE Scheme (if the limit is for Manufacturing / services unit upto Rs. 2 crore & if the limit is for Trade sector upto Rs. 1 crore). Guarantee Fee is to be borne by the borrower. b) If the Loan limit to Micro & Small Enterprises is beyond CGTMSE coverage eligibility: 100% collateral security in the form of immovable properties / liquid securities for the loan portion beyond CGTMSE coverage is to be obtained. c) Loans to Medium Enterprises upto Rs. 25 lakh: NIL d) Loans to Medium Enterprises above Rs. 25 lakh : 100% collateral security in the form of immovable properties / liquid securities for the loan portion above Rs. 25.00 lakhs. (Sanctioning authority at the level of ZLCC and above may waive this on merits) Personal Guarantee : Personal Guarantee of Partners / Directors as per extant guidelines.

9.	Repayment terms	Holiday Period : Maximum 3 Months from the date of disbursement of loan Repayment Period : Loan for 2/3 Wheeler: Maximum 48 months (Door to Door tenor) Loan for 4 Wheeler : Maximum 60 months (Door to Door tenor) i.e. total tenor including holiday period No relaxation in repayment period is permissible. Interest to be serviced during holiday period. Repayment shall be in any of the following ways: a. Equated Monthly Instalments (EMIs) b. Principal in equal Monthly Installments and Monthly interest is to be serviced then and there.
10.	Rate of Interest	As per guidelines time to time
11.	Sanctioning Powers	As per Discretionary Power Booklet
12.	Take over	Not permitted
13.	Processing & other charges	Processing Charges: 0.59% of loan amount subject to a maximum of Rs. 5900/- Documentation Charges: Nil
		Equitable Mortgage Charges: Nil Inspection Charges: Nil Annual Review Charges: Nil Prepayment charges for Term Loan: Nil All other Charges are at Card Rate.
14.	Others	Benchmark Norms as per MSME Policy to be complied. All securities should be adequately insured with Bank Clause – Premium to be borne by the borrower. Pre-release Audit / Legal Audit are to be conducted as per extant guidelines of Credit Policy. Bank's Lien should be marked on the Vehicle Registration Certificate.

In Dhan Vahana

Particulars		Guidelines
1.	Target Group	SC / ST Entrepreneurs sourced by DICCI (Dalit Indian Chamber of Commerce and Industry), classified under MSME.
2.	Eligibility	• Secured tender (Bulk LPG transportation Contract) of Oil Marketing Companies (IOC/ BPCL/ HPCL). • Branch to select borrowers with proper due diligence from the applications sourced by DICCI.
3.	Purpose	Purchase of New LPG Trucks/ Tankers

4. Types of Facility	Fund Based: Term Loan, OD (Clean) Non Fund Based – Bank Guarantee (in lieu of Security Deposit as per the Tender document)
5. Loan Amount	Above Rs 10 lakh to Rs 100 lakh (FB &NFB put together) 5.1 Maximum Loan Amount: OD (Clean)* – Max Rs 3.00 lakh *(Maximum Rs 1.00 lakh per Vehicle) (Upto three Trucks / Tankers per borrower and to be operated only for Oil Marketing Companies)
6. Margin (Promoter's contribution)	Term Loan : Promoter contribution of 10% of project cost wherever minimum 15% Government Subsidy is available or else promoter should bring in 25% cash margin Bank Guarantee : 10% Overdraft (Clean) : NIL
7. Type of Assessment	Total Cost Less Margin On Road Price may be considered including Road Tax, Registration Charges & Insurance
8. Security	<u>Primary Security:</u> • Hypothecation of Vehicles financed under Term Loan • CGSSI cover to be taken mandatorily (Premium to be borne by borrower) & renewed every year • Personal guarantee of the Partners/ Promoter Directors (not third party) • Margin Money & Counter Guarantee for Bank Guarantee <u>Collateral Security</u>: NIL • Escrow account to be maintained with the branch
9. Repayment terms	Repayment Period: • Term Loan – 60 EMIs. (Door to door – 66 months); Holiday Period : 6 Months.
	• Clean OD – (On reducing balance basis – Maximum Period of 50 months) Interest to be serviced during holiday period
10. Rate of Interest / Commission for Non-Fund Based limit	ROI – As per guidelines from time to time. Bank Guarantee – Card Rate
11. Sanctioning Powers	As per discretionary power booklet
12. Take over	Not permitted

13. Processing & other charges	Processing Charges: Rs 10,000/- (Flat – Incl Tax) Documentation Charges: Rs 5,000/- (Flat – Incl Tax) Inspection Charges: Nil Annual Review Charges: Nil All other charges are at Card Rate.
14. Others	Benchmark Norms as per MSME Policy to be complied. All securities should be adequately insured with Bank Clause – Premium to be borne by the borrower. Pre-release Audit / Legal Audit are to be conducted as per extant guidelines of Credit Policy The loan will be eligible under the Stand Up India Scheme. Borrower to ensure that the Trucks/ Tankers are made available to Oil manufacturing companies (OMC) on or before the scheduled date Drivers with valid driving license only should be enrolled for operating the vehicles. Copy of SC / ST certificate issued by competent authority (as required for participating in Tender) Copy of RC Book, Insurance, PESO license, Tender allotment letter, National permit etc. To be kept on record Valid license from Petroleum Explosives Safety Organisation (PESO) to be produced Overdraft and BG to be extended only to borrowers availing Term Loan under the Scheme DICCI will coordinate for smooth implementation of the scheme and will take all efforts in helping the Bank for recovering the loan in case of any issues/ overdues persist in the loans sanctioned.

IND-SURYA SHAKTI

Particulars	Guidelines
1. Target Group	All MSMEs, Mid Corporate & Large Corporates
2. Eligibility	Existing & New Units. Applications from borrowers of other banks / FIs shall also be considered.
3. Purpose	Setting up solar power plants for captive consumption. Solar power plants should be in accordance with the technical standards issued by MNRE and / or Central Electricity Authority.
4. Types of Facility	Term Loan
5. Loan Amount	No Ceiling
6. Margin (Promoter's	25% on the cost of the equipments & erection charges

contribution)	
7. Type of Assessment	Total Cost Less Margin
8. Security	Primary Security: Assets purchased out of loan Collateral Security: EM of property on which solar plant is erected. If the property is mortgaged with other banks / FIs, NOC only to be obtained from the respective Banks / FIs.. Personal Guarantee: Partner / directors to be obtained.
9. Repayment terms	Repayment Period : Door to Door Tenor: 15 years Moratorium Period: Roof Top Solar : Maximum 6 months Others : Maximum 12 months Interest to be serviced during holiday period.
10. Rate of Interest	As per guidelines from time to time. Any relaxation / deviations other than ROI can be considered by the authority concerned as per the discretionary powers. Any concession in ROI to be considered at COLCC (ED) and above only.
11. Sanctioning Powers	As per Discretionary power booklet
12. Take over	Not permitted
13. Processing & other charges	All Charges at Card Rate
14. Others	Benchmark Norms as per MSME Policy to be complied. All securities should be adequately insured with Bank Clause – Premium to be borne by the borrower. Pre-release Audit / Legal Audit are to be conducted as per extant guidelines of Credit Policy.

Jewel Loan to TRADERS & Jewel Loan Priority (Non-Agri)

Particulars	Guidelines
1. Target Group	Traders, Businessmen, Professional, Self employed & Entrepreneurs
2. Eligibility	Existing & new customers
3. Purpose	To meet short term production / working capital needs
4. Types of Facility	Term Loan only
5. Loan Amount	a. Minimum Loan Amount: No Limits b. Maximum Loan Amount: No Ceiling
6. Margin	30% (LTV 70%): For all limits.

7. Type Assessment	Limits should be assessed based on the activity of the applicant, purpose of loan etc. subject to loan to value of jewels (as per the existing guidelines for loan against Gold Ornaments and Jewellery)
8. Security	a. Primary Security: Pledge of jewels b. Collateral Security: Nil. c. CGTMSE : Not applicable d. Personal Guarantee: Not applicable.
9. Repayment terms	For limits upto Rs.5 lakhs: Maximum tenor: 12 months. Repayable at the end of 12th month along with interest accrued For limits above Rs.5lakhs: Maximum tenor :35 months Repayable in monthly EMIs commencing from subsequent month of disbursement of loan.
10. Rate of Interest	As per guidelines from time to time
11. Sanctioning Powers	As per Discretionary Power Booklet
12. Take over	Not permitted
13. Processing & other charges	i) Upto Rs. 25000/- : Nil ii) Above Rs 25000/-: Rs.100 per lakh or part thereof.
14. Others	For Short term loans with tenor upto 12 months, interest will be charged to the account on monthly rests and will be recognized on accrual basis, provided the account is classified as “Standard” account. For Short term loans with tenor above 12 months upto 35 months, interest will be charged to the account at monthly rests and payable along with the principal at monthly / quarterly intervals.

	Along with Jewel Loan application form and Appraiser's Certificate, following documents are to be obtained:- • Latest KYC documents • Udyog Aadhaar Number Copy or Trader / Business Lincese or SSI Registration Certificate or any other proof of business / activity of the applicant. • For existing MSME customers, the above documents need not be insisted. Applicable Loan to value (LTV) of the jewels pledged to be maintained throughout the tenor of the loan. All other conditions applicable for loan against gold ornaments and jewellery.

IB Micro and IB Pure Jal Dhara Scheme has since been discontinued.

GENERAL MSME

Particulars	Guidelines
1. Target Group	All Micro, Small & Medium Enterprises (MSME) as per extant definition of Government of India
2. Eligibility	Both Existing and new units
3. Purpose	Working Capital Requirements, Purchase of Fixed Assets, Construction of Building etc. (All proposals which does not fall under Structured Loan Products.)
4. Types of Facility	All Fund Based and Non Fund Based Limits
5. Loan Amount	No Ceiling
6. Margin (Promoter's contribution)	As per MSME Policy
7. Type of Assessment	As per Credit Policy & MSME Policy
8. Security	As per Credit Policy
9. Repayment terms (TL)	As per Credit Policy & MSME Policy
10. Rate of Interest / Commission for Non-Fund Based limit	As per guidelines from time to time
11. Sanctioning	As per Discretionary Power Booklet

Powers	
12. Take over	Takeover is permitted subject to the compliance of takeover norms
13. Processing & other charges	All Charges at Card Rate
14. Others	GST Registration Number for applicant is mandatory, if not exempted as per GOI guidelines. Benchmark Norms as per MSME Policy to be complied. All securities should be adequately insured with Bank Clause – Premium to be borne by the borrower. Pre-release Audit / Legal Audit are to be conducted as per extant guidelines of Credit Policy. Coverage of CGTMSE / CGFMU is mandatory, wherever applicable.

INDSME Arogyam

Particulars	Guidelines
1. Applicability	a) Hospital/Nursing Homes. b) Manufactures of healthcare products. c) Manufactures and suppliers of permitted drugs(including Covid 19),vaccines, medical oxygen, oxygen cylinders, oxygen concentrators, Pulse Oximeters,Ventilators, PPEs, Sanitizers, Gloves, Inhalation, Masks etc. d) Setting up /Expansion of Medical infrastructure such as Creating /adding bed capacity, ICU, Medical equipments, Diagnostic centres and Pathology Lab etc. e) Eye centres, Small & Medium Size specialty clients like skin clinics, dental clinics, dialysis centres, endoscopy centres, IVF centres, poly clinics, X ray labs etc. f) Logistic firms involved in critical health care supply like Transportation of medical equipments, personnel, patients etc. g) Importer of vaccines and Covid related drugs.
2. Eligibility	Both for existing and new MSME units URC is mandatory.

3.Purpose	a) To finance qualified medical practitioners for setting up Clinics/Nursing homes/Hospitals/Pathology Labs/Diagnostic Centre. b) For Purpose of medical equipment including ancillary equipment. c) For expansion/renovation/modernization of existing hospital/nursing homes/clinics. d) To Provide finance to manufactures of healthcare products for meeting working capital requirement and acquisition of fixed assets. e) To set up Oxygen plant along with power back up for medical use. f)To manufacture permitted drugs(including Covid-19 drugs),Vaccines, Ventilators, PPEs, Inhalation masks, ICU Beds etc. g) To import Vaccines and Covid related drugs h) To finance logistic firms engaged in healthcare activities, purchase of ambulance vehichle, cryogenic trucks etc. i) Financing of Receivables of hospitals empanelled under ABPM-JAY j) Build –up of Current assets like stocking of vaccines, medicines , consumables etc.
4. Types of Facility	a) WC b) TL c) LC/BG
5. Loan Amount	Upto Rs. 100 Crores
6. ROI	a) For Loan below Rs.50 lakhs-EBLR+0.70% b) For Loan aboveRs.50 lakhs & above will be linked to Rating as mentioned below.

Combined Internal Rating Grade	RoI
AAA	EBLR+2%
AA+	EBLR+2.15%
AA	EBLR+2.25%
A	EBLR+2.35%
BBB	EBLR+2.50%

7. Repayment terms

Facility	Tenor
Term Loan	Maximum 120 months including a) Moratorium upto 18months if construction is involved b) moratorium upto 6 months for others
Working Capital	One Year

8. Margin (Promoter's contribution)	TL & WC:25% NFB:10% for LC and Performance Guarantee & 25% for Money Guarantee

<table>
<tr><td rowspan="3">9. Processing & other charges</td><td>Nature of Charges/fees</td><td>Upto Rs.2Cr</td><td>Above Rs.2Cr & Upto Rs.10Cr</td><td>Above Rs.10Cr</td></tr>
<tr><td>Processing Charges</td><td>Nil</td><td>0.25% +GST</td><td>0.50% + GST</td></tr>
<tr><td>Other Charges & Pre payment charges</td><td>Nil</td><td>Nil</td><td>Nil</td></tr>
<tr><td>10.Validity of the scheme</td><td colspan="4">Valid upto 31.3.2022 for sanction & disbursement.</td></tr>
<tr><td rowspan="4">11.Secuirty</td><td colspan="2">Nature of Security</td><td colspan="2">Security</td></tr>
<tr><td colspan="2">Primary for FB limit</td><td colspan="2">Hypothecation of assets purchased/created out of loan proceeds</td></tr>
<tr><td colspan="2">Primary for NFB limit</td><td colspan="2">Hypothecation of assets purchased/created out of loan proceeds +Cash margin</td></tr>
<tr><td colspan="2">Collateral for FB+NFB limit</td><td colspan="2">i) Nil, if CGTMSE coverage is available for entire loan amount
ii) Otherwise, Minimum 25% in the form of liquid security and or SARFAESI compliant property.</td></tr>
<tr><td>12 Sanctioning Powers</td><td colspan="4">As per existing Credit discretionary powers</td></tr>
</table>

IND SDSM

IND-SDSM Sub-ordinate Debt for Stressed Micro, Small and Medium Enterprises (MSME)

Particulars	Guidelines
1. Target Group	MSME defined under MSMED Act from time to time Validity of the scheme - Upto 31.03.2022 for sanction OR till an amount of Rs.20000 crores of guarantee amount is approved.

<table>
<tr><td>2. Eligibility</td><td>MSME accounts which were “Standard” as on 31.03.2018 and have been in regular operations, either as Standard account/s or as NPA account/s during FY 2018-19 & 2019-20
MSME accounts should be in SMA 2 or NPA as on 30.04.2020.
MSME unit shall be Proprietorship, LLP, Partnership, Private Limited Companyor Registered company
Units should be commercially viable as per the assessment of Bank.
Fraud / Wilful defaulter accounts are not eligible.
MSME accounts should be eligible for Restructuring as per RBI guidelines &our MSME Restructuring Policy. Post restructuring, NPA classification of these
accounts shall be as per extant IRAC norms.</td></tr>
<tr><td>3. Purpose</td><td>Credit facility to the Promoters of the stressed MSME units for infusion in the business unit as Equity / Quasi Equity / Sub – Debt.

Loan amount should not be wholly or partly utilized for adjustment of any previously outstanding debt, overdues to the lending institution including those deemed debts bad or doubtful of recovery.</td></tr>
<tr><td>4. Types of Facility</td><td>Term Loan (Personal Loan) to the Promoter/s of MSMEs.
<table>
<tr><td>Constitution of MSME unit IND</td><td>SDSM loan to be considered in the name</td></tr>
<tr><td>Proprietorship concern</td><td>Proprietor</td></tr>
<tr><td>Partnership Concern</td><td>Partners – Jointly</td></tr>
<tr><td>LLP</td><td>Partners – Jointly</td></tr>
<tr><td>Company</td><td>Directors - Jointly</td></tr>
</table></td></tr>
<tr><td>5. Loan Amount</td><td>Upto 15% of the Stake of the Promoter/s in the MSME unit (Equity plus debt*), as per last available audited Balance Sheet, subject to a maximum of Rs.75.00 Lakhs.

Loan amount should not exceed the original debt extended by the Bank to the MSME unit of the promoter.

* Unsecured Loans from the friends and relatives are not to be considered for arriving the limit.
In case of MBA / Consortium, the loan under the scheme can be availed from one lender only. A declaration from the borrower to be obtained regarding its other banking arrangements that they have not availed / will not avail loan under this scheme from other lenders.</td></tr>
<tr><td>6. Margin (Promoter’s contribution)</td><td>Nil</td></tr>
</table>

7. Security	10% of the IND- SDSM loan amount – to be kept as Money Multiplier Deposit(MMD) Second charge on the existing securities held with us for the loan extended to the MSME unit. 90% guarantee coverage from Credit Guarantee Scheme for Subordinate Debt(CGSSD). Once the limit is sanctioned, Bank has to apply to the trust for guarantee coverage for the facility sanctioned. Only after the Trust approval, limit to be disbursed. Guarantee fee of 1.50% p.a. on the guaranteed amount on outstanding basis. To be borne by the borrower
8. Repayment terms (TL)	Maximum 120 months (Door to Door) from the guarantee availment date or 31.03.2022 whichever is earlier. Holiday Period : 84 months for Principal Holiday period interest is to be serviced as and when debited i.e., monthly. Repayment Period (Principal): Maximum of 36 months – Repayable in 36 EMIs after completion of Holiday period.
9. Sanctioning Powers	ZLCC and above upto their sanctioning powers. For the exposure falling under powers of Branch Manager, MAPC, ZLSCC & ZLCC are to be sanctioned by ZLCC. For the exposure falling under powers of FGMCAC, COLCC(GM), COLCC(ED), CAC & MC are to be sanctioned by respective sanctioning authorities.
10. Processing & other charges	Nil
11. Others	➢ Within 90 days of account being classified as NPA, it is to be reported through CGTMSE on line portal ➢ Lock in Period for preferring claim: 18 months from the date of guarantee start date or last disbursement date whichever is later. ➢ Legal action to be initiated before preferring claim ➢ Claim will be settled in two instalments – 75% within 30 days and 25% after conclusion of recovery proceedings. ➢ Other guidelines as intimated by the Trust.

RETAIL ASSETS

STRUCTURED LOAN PRODUCTS

Product: **Home Loan**

Eligibility/Target Group	Salaried Class, Professionals, Self-Employed & Businessmen who have put in a minimum service/experienceof 3 years. (Including previous employment / experience and confirmed in the present employment. **Eligibility with regard to Customers' Service /Experience:** Regular employees of Central Government / State Government / Public Sector Undertakings /Government or Government aided Educational Institutions with salary statement from the existing employer for at least previous 3 months. Regular employees of MNCs/Reputed Companies (Externally rated as BBB or above) with salary statement from the existing employer for at least previous 3-months subject to the condition that they have total experience of minimum 2 years. Regular employees will not include Adhoc /Contract/Casual Employee.
	Pensioners - having adequate income to service the loan can also avail Home Loan on selective basis withadequate risk mitigation measures. **Staff of our Bank** as well as Spouse of the staff can also avail Home Loan. In such case the guarantee of Spouse / Staff is compulsory. In case of Staff Related (other than spouse) Home Loans, personal guarantee of staff need not be insisted. **Home Loan to HUF should not be considered.**
Age of the applicant	Minimum entry age is **18 years and Maximum exit age is 70 years-** Powers are given to respective sanctioning authority up to the delegated powers. Wherever the exit age goes beyond the retirement age of the applicant / co-applicant (whose income is reckoned for Home Loan quantum, Eligibility, Recovery), the sources of repayment after retirement and their continuous availability / steadiness shall be duly ascertained and recorded in the appraisal note. It should be stipulated that '50% of the balance outstanding in the home loan account at the time of retirement' is to bepaid out of the terminal benefits of such applicants - unless there is proof of sufficient, regular & continuous income to take care of the future EMIs / repayment commitments. An undertaking letter to this effect is to be obtained from such borrowers before disbursal of loan. However, at the time of retirement, where the borrower's / co-borrower's income is sufficient to meet the future EMIs, sanctioning authorities may take a decision to waive recovery of 50% of loan outstanding' from the terminal benefits of the retiring borrower, based on the merits of the case.

	ZLCC/Head of RMPC can consider exit age upto 75 years for applicants whose income is taken for eligibility'and beyond 75 years proposals should be referred to Corporate Office. ZLCC/Head of **RAPC** can also permit relaxation in exit age beyond 75 years for applicants **whose income is not reckoned for eligibility / recovery where** ➢ the names are included for family / sentimental / legal / other reasons and ➢ **other applicants' income alone** is reckoned for eligibility and repaying capacity In such cases, the reasons for inclusion of such names (as specified by the applicants / Co-applicants) andthe implications, if any, shall be duly analyzed and recorded in the process note. If age at entry level of applicant / co applicant is 70 years or above, son / daughter / spouse who are 'legal heirs' and 'below the age of 50 years' with sufficient regular income for servicing the loan repayment throughout the tenor of the loan, should join as co borrower or guarantor. Loan repayment in such cases should be made through a joint savings / current account in the names of all the joint borrowers/ guarantors.
Purpose	Home Loans can be considered a) to purchase / construct a new house / flat b) to purchase house site and construction of house thereon c) to purchase an existing house / flat d) to extend an existing house/ additional construction e) to repair / renovate an existing house / flat - in such case - Max. Amount: Rs.300 lakhs. - Max. Repayment period: 120 months. - Margin: 30% (Minimum) on the estimate. f) to take over Home Loans from other Banks / Housing Finance Institutions approved by National Housing Bank for Housing Finance - RAPC Head & above to is empowered to takeover of home loan from NBFC / HFC subject to compliance of takeover and scheme guideline, irrespective of appearing in NHB approved list. As Takeover is permitted only for completed buildings, where security has been created, no Holiday period is to be allowed. Further it is to be ensured that Minimum 6 EMI have been paid (from the date of commencement of EMI) in respect of the Home Loan account to be taken over g) for reimbursement of cost incurred for purchase/construction of house/ flat - met from own resources during the preceding six months - **ZLCC/Head of RAPC** is having power. Margin of 25% or as stipulated in the relevant scheme whichever is higher is to be maintained, while arriving at the eligible limit.

Income Criteria	Generally the income of applicant and the income of his / her spouse are permitted to be added to computethe total income and loan eligibility. Income of Parents / adult Children can also be considered and their income can also be included for loan eligibility / recovery on following terms: a. Their income is regular & backed by income proof b. ECS is to be registered in favour of our bank towards regular servicing of the loan (either fully or proportionately) in case their salary accounts / other accounts (evidencing income streams) are held with other banks. If their accounts are held with our bank, suitable Standing Instructions towards regular servicing of the loan (either fully or proportionately) are submitted. c. They shall be included as Co-applicants to the Loan. Income of other type of relatives shall not be reckoned for extending this loan. The total number of such Co-applicants should be generally restricted to three (i.e., one Applicant three Co-applicants) e. In case of income of parents taken for eligibility calculation, NOC from all the Legal heirs to be obtained for considering income of the parents. In all cases of such joint borrowings, the disbursement shall be made through an account held with our Bank in the joint names of all the applicants / Co-applicants. ZLCC is empowered to permit the following relaxations: a. Inclusion of siblings (brothers / sisters) as co-applicants only in case where they also have a stake in the property b. Permitting more number of co-applicants (exceeding three) c. Including the income of such co-applicants & spouses / children of such applicants d. Income from HUF can also be reckoned for calculating Home Loan eligibility and the same is permitted by **ZLCC/Head of RAPC with certain terms and conditions**
Margin	Purchase / construction of house/flat (i) Upto 30 lakh-10%, LTV 90% (ii) >30 lakh upto 75 lakh- 20%, LTV 80% (iii) Above 75 lakh- 25% LTV 75% (For Repairs and Renovation 30% margin on the Estimate) LTV may be calculated taking into consideration the Realizable Value of the property instead of Market Value as per Credit Risk Management Policy of the Bank.
Loan Amount	Loan will be considered only based on NTHP criteria ➢ If Gross Annual Income of the Applicants (Individually or jointly) is up to Rs.15.00 lakhs, take home income should not be less than 40 % of the Gross Annual Income. ➢ If Gross Annual Income of the Applicants (Individually or Jointly) is above Rs.15.00 lakhs, NTHPshould be minimum Rs.50000 per month. No other NTHP criteria should be insisted upon. ➢ Loan will be considered based on monthly NTHP CRITERIA (as applicable) only. ➢ 60 times /72 times of Gross monthly income (6 time /5 times of ITR) criteria is dispensed with .

Repayment	The maximum repayment period is restricted to **30 years** (inclusive of holiday period) (or) Up to the age of 70 years (the age by which the loan should be fully repaid) of the borrower, whichever is earlier. In addition toexisting repayment option of EMI ,PMI and Negotiated repayment option may also be given to the Salaried class customer subject to availability of documents for future cash flow. For take over accounts, the repayment period can be extended beyond the period sanctioned by the original lender subject to a maximum of **30 years** including the period already run in the existing institution (or) Up to the age of 70 years (the age by which the loan should be fully repaid) of the borrower, whichever is earlier. Maximum repayment period for Home Loan to Repair and Renovation is 10 years. For Home Loan under Commercial Real Estate (CRE) for borrowers (Other than Salaried Class), maximum loan tenor **will be 25 years.**
Clarification in case of Joint Borrowings	In all types of joint borrowings, whenever there is a direct share in the property and / or wherever the income is included for reckoning loan eligibility / recovery, they should be taken as applicants or co-applicants under the borrowing arrangement. Only in cases where there are legal heirs whose concurrence is needed & where their income is not taken for arriving at loan eligibility, they may be taken as "Guarantors" to the loan. Hence in all such cases theirpersonal guarantees/ No Objection Letters should be obtained If property is held / to be purchased in the joint name by persons other than family members – (i.e.,Parents / Son / Daughter / Spouse), loan may be sanctioned in joint names. In such cases, prior approval to be obtained from FGMLCC. For repayment fixation, age of the youngest person whose income is considered will be reckoned for full tenure of loan. **e.g.,** A & B having age of 54 years and 40 years applying for home loan. Income of A will be considered for 16 years and income of B will be considered for 30 years for extending home loan for 30 year
Take Home Pay	If Gross Annual Income of the Applicants (Individually or jointly) is up to Rs.15.00 lakhs, take home incomeshould not be less than 40 % of the Gross Annual Income. If Gross Annual Income of the Applicants (Individually or Jointly) is above Rs.15.00 lakhs, NTHP should beminimum Rs.50000 per month. No other NTHP criteria should be insisted upon.
Interest Reset	Rate of interest (floating only) as communicated by Corporate Office from time to time will be applicable. Inconformity to RBI direction, our Bank has adopted RBI's Policy Repo Rate (hereinafter called as Repo Rate) as the external benchmark for pricing of all new floating rate personal or retail loans (housing, auto, etc.) with effect from October 01, 2019. Introduction of Fixed ROI for retail loan has been introduced as per cir Adv-216/2023-24 dated 30.12.2023 for Retail Loan including Home Loan
Processing Charges	Processing Fee as communicated by Corporate Office from time to time will be applicable
Security	Equitable Mortgage of Property purchased / constructed out of loan proceeds. Equitable Mortgage to be registered if there is a provision for the same in the State where property is located. If the Home Loan property to be purchased could not be offered as security for any valid reason, alternateproperty can be accepted as security, provided the value of the property is more than 2 times the limit to be sanctioned. This can be considered by ZLCC subject to satisfactory repayment capacity.

Others Conditions	No pre-closure, pre-payment charges
Appraisal &Interview:	While processing the Home Loan Applications, all the safeguards prescribed by the Bank for grant of other loans should also be observed. First of all, when a loan application is received, a 'Credit Interview' with theApplicant should be held immediately. On the basis of the information provided in the application and additional information gathered during the credit interview, the proposal should be processed quickly with due regard to the following four important aspects: a) Financial Appraisal consists of Cost assessment, its tie-up (own sources + Home Loan), calculation of eligible loan amount, assessment of repayment capacity and ensuring prescribed Loan-to-Value Ratio b) Legal Appraisal mainly consists of examination of title of the property to be acquired i. e. whether the security proposed is free from all encumbrances, SARFAESI compliance and the borrower has clear title enabling him to create valid mortgage in favor of the Bank. c) Technical Appraisal is very important for ensuring the quality of the security and its marketability. Housing loans given should not contravene the regulations relating to Housing Development issued by statutory authorities. d) ZLCC is authorized to consider, "Financing to panchayat approved plot/area & financing of houses ocated in areas having unapproved layout subject to compliance of undernoted conditions: - i)Valid mortgage can be created on the property. ii)Security is enforceable under SARFAESI Act. iii)Suitable marketability of the property under SARFAESI action. iv) However, no loan should be given in respect of those properties whichfall in the category of 'unauthorised colonies" unless and until they have been regularized and development & other charges have been duly paid.. e) Valuation of the property offered as security - by our Approved Engineer / Valuer. ZLCC is permitted for extending housing loan on the property located in new corporation / municipality areas subject to compliance of all other guidelines including SARFAESI compliant of properties for housing loan scheme, on case to case basis. . **Financing of houses located in areas having unapproved layout is not permitted.**
Due Diligence	Branches are advised to exercise 'Due Diligence' while processing the applications, to maintain the quality of our advances, by duly taking into consideration the following: ■ Repayment capacity of the borrower. ■ All necessary approvals are obtained (such as Building Plan, Clearance from Town Planning Department,and Approval from Housing Society etc). ■ The legal opinion on the property is clear as to title and mortgageability. ■ No subsisting encumbrances. ■ Valuation of the property is comparable with prevailing market rates.

Product: Home Loan to NRI

Eligibility/Target Group	NRIs gainfully employed abroad (who have put in a minimum period of confirmed service / experience of 2 years - including previous employment / experience and confirmed in the present employment)with a residual contract period of service for at least three more years to run NRI professionals with a regular monthly income. Branch should appraise the earning potential of the prospective borrower toensure timely repayment of loan.
Purpose	Construction of New House/Flat, Purchase of Old House/Flat, Addition/Alternation/Repair/Renovation
Age	Entry Level: Between 21 and 50 years Exit Level: Maximum 60 years

Margin	Upto Rs.30 lakh - 10% LTV-90% Above Rs 30 lakh upto 75 lakh- 20%,LTV-80% Above Rs.75 lakh-25% LTV-75% (For repairs and renovation 30% margin) Margin to be brought in either by way of fresh inward remittances/funds from Non Resident accounts/Local funds. Value of own Plot shall be reckoned for the purpose of margin
Loan Amount	As per the guidelines applicable to Resident Indians
Security	Equitable Mortgage of Property purchased / constructed out of loan proceeds. Equitable Mortgage to be registered if there is a provision for the same in the State where property is located
Repayment	Maximum 20 years, including holiday period of 18 months in case of construction of house/flat. In case of purchase of ready built house/flat, holiday period is Nil but maximum of 6 months can be permitted by respective sanctioning authority.
Processing Charges	Processing Fee as communicated by Corporate Office from time to time will be applicable
Sanctioning Authority	As per Home loan to Residents
Others Important Conditions	All other features / terms are as applicable to IB Home Loan to Residents.

Product: **IB HOME LOAN PLUS**

Eligibility/Target Group	All existing Home Loan borrowers (Residents & NRIs) including HL-CRE, IB Home Advantage, HL for Repairs and Renovation which are under 'Standard' Category. All staff members who have availed Staff Housing Loan are also eligible to avail IB Home Loan Plus provided the borrower should have paid minimum 12 EMIs regularly, possession of the house / flat has been taken by the borrower and valid mortgage has been created in favour of the Bank. Staff members / officers who have availed IB Home loan and converted to SHL are also eligible. In such cases, 12 instalments will be reckoned by including the number of EMI's paid under IBHL.
Purpose	Any bonafide purpose other than speculative purpose. Term Loan: Maximum tenor of 15 years. • Overdraft (Step down) – OD facility will be liquidated in maximum 15 years with equal deduction every month. • In case, loan is for lesser duration, equal deduction over the tenure of the loan be made for liquidation of loan at the end of the term • Staff member are not eligible for OD facility.
Take Home Pay	If Gross Annual Income of the Applicants (Individually of jointly) is up to Rs.15.00 lakhs, take home income should not be less than 40 % of the Gross Annual Income. If Gross Annual Income of the Applicants (Individually or Jointly) is above Rs.15.00 lakhs, NTHP should be minimum Rs.50000 per month. No other NTHP criteria should be insisted upon. 3. In case of IB Staff: Net Take Home pay after the proposed EMI shall be lower of the following: a. 40% of Gross Monthly Salary including ex-Serviceman Pension if any, and Salary of Spouse if spouse is Co-Borrower b. Rs. 25000/- p.m.

	Note: 1. In case of Salaried class customers (including Pensioners), the Annual Gross Income is calculated based on the gross monthly salary amount (latest monthly salary slip). However it is again reiterated here that there is no abnormal increase in the latest salary, when compared with the last 6 months' salary. Any one time / adhoc payments should be deducted from the gross/net salary to arrive at the regular income to be taken for eligibility. 2. In respect of Business/Self Employed class customers, Gross Annual Income of the Applicant is based on the Income Tax Returns filed by them. 3. Income of spouse / adult children can be included even if not originally reckoned for Home Loan. However, income of other relatives cannot be added afresh for availing this facility.
Margin	Margin of 25% on Realizable Sale Value (RSV) to be maintained to arrive at Quantum of Loan.
Loan Amount	Minimum Amount – Rs. 1.00 Lakhs Maximum Amount - Rs. 1000 Lakhs Quantum of loan calculation: • **Loan amount for 1st IBHL Plus Loan** = 75% of RSV – Home Loan O/s • **Loan amount for subsequent IBHL plus Loans** = 75% of RSV – [Home Loan O/s + Previous IBHL Plus O/s]. • **Home Loan / IBHL Plus O/s:** Closure Balance as per CBS as on date of assessment. **RSV**: Realizable Sale Value
Repayment	Repayment Period - Maximum 15 years. General Applicant - → If repayment goes beyond retirement age and Pension Option is available then 50% of the outstanding balance in Loan ac will be adjusted by terminal benefits. Staff→ If Pension option is not available then repayment age will be restricted to date of Superannuation.
Processing Charges	Processing charges/Documentation charges/EM charges as communicated by Corporate Office from time to time will be applicable. Processing charges are waived for Staff Members
Others Important Conditions	Home Loan account should not have appeared in SMA 2 during last 1 year. However, Home loan account should never have appeared in NPA . The construction of the house should take place within maximum period of 5 years from date of loan sanction, subject to compliance of Terms & Conditions stipulated by Government Authority/ Development Authority, if any. Existing accounts where overdraft facilities were extended in e-ALB will be permitted to be renewed in proposed new product code as per respective scheme guideline. In case existing limit is not in compliance with the Home Loan Plus scheme guideline, renewal may be permitted by next higher authority

Other conditions	If IB Home Loan and SHL are existing over different house properties then IB Home Loan Plus can be availed against both the properties separately, subject to availability of enough take home pay as per norms. Instalments to be linked with Salary account of employee and deduction to be made from salary payment. All other guidelines as contained in the Manual of Instructions - Conventional Advances for Loan against immovable property should be meticulously followed. **Takeover of Overdraft facility shall be restricted.**

Product: **LOAN FOR PURCHASE OF HOUSE SITE / PLOTBY/RESIDENTS**

Eligibility/Target Group	As applicable to Home loan to Residents / NRIs.
Purpose	Purchase of house site on ownership basis (not on lease basis) layout of which is duly approved by competent authorities.
Margin	25% on the land cost. LTV 75%.If the value of plot to be purchased is more than Rs. 100 lakhs, valuations from two independent panel valuers are to be obtained and average of the two valuations is to be reckoned for arriving at LTV ratio.
Loan Amount	Permitted up to 36 times of the Gross Monthly Income (as per latest salary slip - for salaried class) or 3 times of Annual Net Income (In case of Professional & Self employed / business category - based on average of latest two years) subject to a maximum of Rs. 1200.00 lakhs To arrive at the quantum the guidelines for Home Loans are to be followed. For purchase of property in Rural area : Rs. 100.00 lakhs For purchase of property in Semi-urban area : Rs.200.00 lakhs For purchase of property in Urban area : Rs.600.00 lakhs For purchase of property in Metro : Rs. 1200.00 lakhs COLCC (ED) may permit relaxation in ceiling (based on location) subject to a maximum cap of Rs.1200.00 lakhs per borrower
Take Home Pay	If Gross Annual Income of the Applicants (Individually or jointly) is up to Rs.15.00 lakhs, take home income should not be less than 40 % of the Gross Annual Income. If Gross Annual Income of the Applicants (Individually or Jointly) is above Rs.15.00 lakhs, NTHP should be minimum Rs.50000 per month. No other NTHP criteria should be insisted upon
Repayment	180 EMI & No holiday period to be allowed
Security	EM of House site to be purchased and the EM is to be registered.
Processing Charges	Processing Fee as communicated by Corporate Office/Retail Assets & Deposits Dept. from time to time will be applicable
Takeover of accounts	ZLSCC /ZLCC may permit takeover of standard borrowal accounts from other Banks and Financial Institutions who are in the approved list of National Housing Bank (NHB) for conducting Housing Finance business and information on such approval could be obtained from the NHB website.

Others Important Conditions	a) Property to be purchased should be in a good, accessible, developed/ developing area and the Bank should be able to sell the same without problem in case of default. b) For NRIs/ PIOs, purchase of house site at rural area is not permitted. c) Property should be properly protected by fencing/compound wall. d) Layout approval should be approved by CMDA/DTCP or by the respective Statutory Authority empowered for the purpose as per local rules. e) Spouse guarantee to be taken wherever his/her income is taken into account for arriving at the loan eligibility. f) Staff members can also avail loan under this scheme. In the case of loan availed by staff / spouse the guarantee of spouse / staff is compulsory. g) All other guidelines as contained in the Manual of Instruction - Conventional Advance for loans against immovable property should be meticulously observed. h) Interest / Installments repaid will not rank for IT benefit

Product: **IB HOME IMPROVE**

Eligibility/Target Group	Existing Home Loan borrowers (both residents & non-residents) including our staff members. Prospective home loan borrowers who are salaried class customers /professionals / business people. Government officials / employees of Public Sector Companies or Reputed Organization who have availed housing loan at concessional interest from their respective employer (with second charge to us) are also covered under this scheme. Our staff members who had availed SHL are also eligible to avail against extension of EM of SHL property.
Purpose	Purchase of household furniture, kitchen racks, cupboards, TV Sets, Fridge, Computers, wall paper provisions, lighting, interior decorations, Air-Conditioners, Kitchen chimney, modern gadgets for kitchen/modular kitchen & piped gas supply/cost of digging bore well, with suitable water lifting devices like jet pump set, compressor, solar system and immiscible pump set. Branches can include the cost of Rooftop Solar PV Home Lighting System as an eligible item for providing loans to all eligible applicants (as part of the total project cost) under Home Loan / Home Improve Schemes.
Margin	15% of cost of the articles to be purchased under the loan
Loan Amount	36 times of the Gross Monthly Income, subject to a maximum of Rs.300 lakhs. Income of Spouse / Other Co-applicants whose income was reckoned for calculation of Home Loan eligibility / recovery can be included for availing this facility also.
	Income of spouse / adult children can be included even if not originally reckoned for Home Loan. However, income of other relatives cannot be added afresh for availing facility.
Net Take Home Pay (NTHP)	If Gross Annual Income of the Applicants (Individually or jointly) is up to Rs.15.00 lakhs, take home income should not be less than 40 % of the Gross Annual Income. If Gross Annual Income of the Applicants (Individually or Jointly) is above Rs.15.00 lakhs, NTHP should be minimum Rs.50000 per month. No other NTHP criteria should be insisted upon
Repayment	Maximum 120 months
Security	Extension of EM of property mortgaged for Home Loan. EM of property for which the facility is availed. Guarantor of Home Loan may also give guarantee for IB Home Improve also.

Processing Charges	Processing Fee as communicated by Corporate Office/Ind Retail Vertical from time to time will be applicable
Others Important Conditions	Guarantor of Home Loan may also give guarantee for IB Home Improve also. Interest/installments will not rank for IT benefit if loan is for purchase of consumer items. Income of spouse / adult children can be included even if not originally reckoned for Home Loan. However, income of other relatives cannot be added afresh for availing this facility

Product: **IB HOME LOAN COMBO**

Eligibility/Target Group	Individuals including Joint borrowers who have * Availed the Home Loan from Indian Bank * Satisfactorily serviced the Home Loan for at least 1 years after the Holiday Period. * Created Equitable Mortgage * Home Loan account repayments are regular and the account is in Standard Category
Purpose	Under the package the borrower is entitled for any one or more of the following loans, with concessional interest rate and processing charges provided he / she is otherwise eligible as per the individual loan products. * IB Vehicle Loan (Both 4 wheeler and 2 wheeler) * Salary Loan * IB Pension Loan * IB Home Improve
Margin	As applicable to relevant schemes such as IB Vehicle loan, Salary loan, IB Salary Loan * IB Pension Loan etc.
Loan Amount	Same as that of the individual schemes
Repayment	As applicable to respective original scheme/s.
Security	The security required to be taken under the individual schemes should be taken and equitable Mortgage taken for the Home Loan should be extended to cover the other loan/s sanctioned under the package.
Others Important Conditions	Concession of 50 % from the applicable processing charge. Concession of 0.50% interest rate of the respective products, except IB Home Improve. The Home Loan borrowers will be eligible for any one or more of the of the above schemes within the overall eligible limit subject to repayment capacity and other eligibility criteria

Product: IB-HOME ADVANTAGE

Target Group	All prospective Home Loan Borrowers - Resident, NRIs and Staff Members of our Bank including retired staff members Existing Home Loan Customers are also eligible under the scheme
Purpose	The following types of Home Loans under this product can be considered a) to purchase / construct a new house / flat b) to purchase house site and construction of house thereon c) to purchase an existing house / flat d) additional construction of existing house e) to take over Home Loans from other Banks / Housing Finance Institutions approved by National Housing Bank for Housing Finance. f) for reimbursement of cost incurred for purchase / construction of house / flat - met from own resources during the preceding six months However in respect of the Overdraft Limit, the borrower is allowed to utilize the amount which he has paid as installment in the Home Loan Account and the limit can be considered for any bonafide purpose other than speculative purposes.

Eligibility	Age: For Applicant (s) Residents: Entry Age: 18 Yrs, Exit Age: 70 Yrs 1. If income is taken for eligibility- exit age is up to 75 yrs (Relaxation powers with ZLCC &Head of IRPC/RMPC) Above 75 years (Relaxation powers with COLCC - GM) 2. If income is not taken for eligibility- exit age beyond 75 yrs (Relaxation powers with ZLCC &Head of IRPC/RMPC) Non Residents: Entry Age: 21Yrs, Exit Age: 60 Yrs. Maximum 70 yrs (Relaxation powers with ZLCC &Head of IRPC/RMPC) In respect of Salaried Class applicants, whose exit age goes beyond the retirement age, the 'post-retirement income' of the applicant has to be duly ascertained. It should be stipulated that '50% of the balance outstanding in the home loan account(s) at the time of retirement' is to be paid out of the terminal benefits of such applicants - provided there is proof of sufficient, regular & continuous income to take care of the future EMIs / repayment commitments, otherwise, the loan should be settled in full at the time of retirement from terminal benefits.
Quantum of Loan	**TERM LOAN PORTION**: **As on date of application, if the age of the Borrowers/Co-Borrowers is less than 45 years.** In case of salaried persons, the loan amount will be restricted to 72 times of monthly gross income /salary. In case of others, the loan will be restricted to 6 times of the gross Annual Income as per IT return/ Audited financials. **As on date of application, if the age of the Borrowers/ Co Borrowers is 45 years and above.** In case of Salaried persons, the loan amount will be restricted to 60 times of monthly gross income /salary. In case of others, the loan will be restricted to 5 times of the gross Annual Income as per IT return/ Audited financials. **OVERDRAFT (OD) PORTION** OD limit can be permitted upto 30% of the original Home Loan (Term Portion) upon the expiry of 3 years subject to repayment capacity and LTV. -Up to 10% of the Home Loan Limit can be released only after one year of satisfactory conduct -Up to 20% of the Home Loan Limit can be considered after two years of satisfactory conduct of the account(s) -Up 30% of the Home Loan Limit can be considered after three years of satisfactory conduct of the account(s)
Nature of Facility	Term Loan 100% and additional Overdraft Limit up to 30% of the Home Loan Limit. Margin of 10%, 20% & 25% & LTV ratio of 90%, 80% & 75% as the case may be as per Bank's extant guidelines to be ensured covering both Home Loan - Term Loan and Overdraft portions. I In respect of Takeover of Home Loan, the margin is nil, however LTV ratio should be ensured as per the quantum slab.

Net Take Home Pay	If Gross Annual Income of the Applicants (Individually or jointly) is up to Rs.15.00 lakhs, take home income should not be less than 40 % of the Gross Annual Income. If Gross Annual Income of the Applicants (Individually or Jointly) is above Rs.15.00 lakhs, NTHP should be minimum Rs.50000 per month. No other NTHP criteria should be insisted upon.
Overdraft Portion of the Limit	❖ Release of Overdraft limit can be considered after a minimum period of 12 months from the date of sanction (including HL-Takeover) /after review of OD - in case of release upto 20% or 30% of Home Loan Term Loan Limit, subject to a maximum (overall) of 30% of the original Home Loan Limit An undertaking letter to be obtained from the applicants at the time of documentation that the Overdraft Limit shall be utilized for bonafide purpose other than speculative purpose. The release of limits for existing accounts can be considered on written request from the borrower, subject to eligibility (Income & LTV) Under any circumstances, maximum Drawing Power under Overdraft limit should not exceed 30% of the total Home Loan limit sanctioned. OD limit can also be considered on combined limit along with additional Home Loan availed on the same property, subject to compliance of - repayment capacity, LTV norms & time norms as stipulated above. The additional Overdraft Limit can also be considered as enhancement in the existing OD Limits (sanctioned on original Home Loan limit). Interest charged in OD shall be serviced as and when debited without any default during the tenor of the loan.
Interest Rate	Home Loan (Term Loan): As applicable to IB Home Loan product. Overdraft: 1.00% over the applicable Home Loan rate. Only Variable Interest rate product available. In respect of Home Loan-CRE the ROI for Home Loan for Term Loan portion will be 1% above the applicable Home Loan ROI and for OD portion it will be 2% above the applicable Home Loan ROI.
Security	EM of property purchased / construction under the Home Loan is to be taken as security. The property should be free from prior encumbrance. Necessary stamp duty applicable to the Registration of EM to be done with SRO (wherever applicable). MOD registration for the OD portion need not be insisted as the total of Term Loan and OD portion will not exceed the original Home Loan limit All other aspects are as per Bank's extant guidelines given in Home Loan Master Circular. Since the facility is allowed with opening of two separate accounts, EM is created on the overall Limit of Home Loan with sub-limits of Home Loan (TL portion) and HL (OD portion) The EM documents shall be released only after closure of both Home Loan and OD accounts.

Valuation of HouseProperty	The Valuation of the property shall be arrived at as per Bank's extant guidelines given in Home Loan Master Circular. As per norms the residual life of the building/flat should be minimum 10 years more than the repayment period of the loan. ZLCC/CC-IRB may permit Home Loans with the residual life of the building/flat upto 5 years more than the repayment period of the loan.
Margin	For Purchase/construction of house/Flat Loan amount up to Rs 30. lacs- Margin-10% , LTV-90% Loan amount above Rs 30. lacs up to Rs 75. Lacs- Margin-20% , LTV-80%Loan amount above Rs 75. Lacs- Margin-25% , LTV-75% However, with regard to Overdraft Limit, LTV norm alone to be ensured and margin need not be insisted upon.
Repayment	The maximum repayment period is restricted to 30 years (In case of Home Loan CRE [Business class] - 25 years & NRI 20 years) (inclusive of holiday period) (or) Up to the ageof 70 years Out of the maximum repayment period restricted to 30 years (inclusive of holiday period), the TL component shall be recovered in 25 years and the OD limit shall be liquidated in the last 5 years i.e., 26th year onwards. Hence irrespective of repayment period the OD limit shall be liquidated in the last 5 years. During the last five years of the Tenor, OD facility will be permitted to operate on a reducing Drawing Power arrangement on the EMI basis, so as to ensure that entire balance of OD facility is settled in full with interest at the end of the tenor period. For take over accounts, the repayment period can be extended beyond the period sanctioned by the original lender subject to a maximum of 30 years including the period already run in the existing institution.

Applicable provision for Existing Home Loanaccounts	All existing Home Loan customers who have repaid a minimum of 12 EMI's regularly areeligible. NRIs and Staff Members of our Bank, including retired staff members, are also covered under the Scheme. The OD limit with regard to existing Home Loan accounts is 20% of the subject HomeLoan Limit. Balance outstanding in the Home Loan (+) proposed OD limit should not exceed the original Home Loan limit. Wherever request for OD limit is made on Home Loan accounts where the HL balance outstanding is more than Rs.100.00 lakhs (after 3 years from the date of original HL sanction), fresh EVR to be obtained / verified for compliance of LTV norms before considering sanction of the OD limit. CERSAI registration for the existing limits to be ensured before considering the proposal for OD limits. Extension of EM is mandatory. MOD registration (wherever applicable). Repayment for the existing Home Loan limit should not be altered. Since the Overdraft Limit is being sanctioned in addition to existing HL Limit, repayment period shall be fixed for this Overdraft Limit exclusively for 5 years over and above the residual tenor of the Home Loan subject to original tenor plus the 5 years repayment period shall not exceed 30 years. While sanctioning OD limits for existing Home Loan accounts, a flat processing fee of Rs. 1000/- (inclusive of service tax) irrespective of the quantum of OD limit to be recovered (applicable only for existing HL borrowers who seek limits under OD) On sanction of OD limit for existing Home Loan borrowers the existing Home Loan product code to be changed to Home Loan Advantage product code
Processing Fee	Processing fees are as per extant guidelines taking into consideration both Home Loan Limit & OD Limit at the time of sanction In respect of existing HL Borrowers who seek OD limits against the same HL property, a flat processing fee of Rs. 1000/- (inclusive of service tax) irrespective of the quantum to be recovered
Additional Benefits	Borrowers under the scheme will get additional benefits as follows: **1.** 1.Debit Card **2.** Credit Card - (Credit Limit is based on exclusive scoring of the applicant - Credit Card Model) ***3.*** Free Insurance Coverage under Pradhan Mantri Suraksha Bima Yojana (PMSBY) for all applicant(s) forfirst 3 years subject to age limits 18-70 years. ***The premium for one member is Rs.12/- p.a.***
Prepayment charges	**as per the extant guidelines**

Others Importa ntTerm	> Repaying capacity of the applicant should be ensured based on the Latest Salary Income, Form 16, Income Tax Returns and Financial Documents as the case may be. > As the OD Limit is given for consumption purpose, branches should not issue any certificate to Income Tax authorities for this OD Limit, enabling the borrower to seek Tax relief under Home Loan. In respect of NRI Borrowers: > The repayments can be either by way of remittances from abroad, transfer from NRE accounts, or by remittance by close relatives through their bank a/c directly to the borrower's loan a/c. > Funds of Over Draft limits sanctioned to NRI Borrowers should not be utilized for credit to NRE rupee account of the account holder. In this regard Branch should obtain undertaking letter from the borrower that the utilization of the Overdraft Limit shall be for meeting borrower's personal requirements only and not for carrying on agricultural/plantation activities or real estate business or for relending. Payment of interest and repayment of loan should be made by inward remittance or out of legitimate resources in India of the person concerned CRE Norms > Home Loans extended upto two units / houses are to be considered under residential mortgage category at Home Loan interest rates. However, if the total number of such units / houses is more than two per family, the exposure for the third unit / house (First two houses whether purchased out of loan or not) should be classified as Commercial Real Estate (CRE) Exposure and the applicable rate of interest for these loans will be as per 'Home Loans under CRE exposure', which is 1% above the applicable Home Loan interest. In respect of OD limits, it shall be 2% above the applicable Home loan interest.

Product: HOME

Target Group	Resident Indian individuals having steady source of income - Salaried Class, Businessman, Professional and Self-employed people, Pensioners and NRIs. - Who have put in a minimum period of confirmed service / experience of 3 years (including previous employment / experience and confirmed in the present employment). II. Staff of our Bank as well as Spouse of the staff can also avail this Loan. In such case the guarantee of Spouse / Staff is compulsory. In case of Staff related (other than spouse) loans, personal guarantee of staff need not be insisted. III. Our Existing Home loan customers can also avail this loan.
Age of the applicant	Min Entry Age- 18 Max Entry Age- 65 Max Exit Age-70
Purpose	Repair/renovation of the Residential Dwelling Unit
Eligibility	Individuals possessing a residential dwelling unit in their name and supported by copy of the latest Tax Paid certificate/Sale deed/Gift deed/Mutation Certificate/Partition deed.
Income Criteria	As applicable to Home Loan to Residents - If Gross Annual Income of the Applicants (Individually of Jointly) is up to Rs.15.00 lakhs, take home income should not be less than 40 % of the Gross Annual Income. If Gross Annual Income of the Applicants (Individually or Jointly) is above Rs.15.00 lakhs, NTHP should be minimum Rs.50000 per month. No other NTHP criteria should be insisted upon.
Margin	30%

Loan Amount	Minimum: Rs. 1 lakh Maximum loan - Rs. 10.00 lakhs Maximum loan limited to 70% of the security or 70% on estimated cost of repairs and renovation, whichever is lower.
Repayment	10 years subject to maximum exit age of 70.
Holiday Period	Till completion of repairs/ renovation or 3 months from the date of disbursement of the loan, whichever is earlier. However Holiday period interest has to be serviced every month compulsorily.
Other Terms	As the loan is given for repairs/renovation, branches should issue Interest certificate enabling the borrower to seek Tax relief under "Repairs/Renovation".
Security	1) Lien on our Bank Term Deposits (except IB TAX Saver) including interest accrued net of TDS; Deposits can be in the name of individual/Joint names. ii) Third party deposit can also be accepted. However Guarantee from such third party should be obtained 1) Pledge of NSCs , which have run for a minimum period of 3 years 2) LIC policies - Assignment of Life Insurance Policies (to the extent of surrender value of the policy) etc. LIC policies should have run for a minimum period of 3 years.
Interest Reset	Interest Rate as communicated by Corporate Office from time to time will be applicable
Processing Charges	1.18% of Loan amount.

Product: IB IND MORTGAGE

Eligibility/Target Group	**Salaried Class:** Permanent Employees of Central / State Govt. / Quasi Govt. Bodies / Public Limited Companies / reputed Private Limited Companies with clear record of paying timely salaries. Applicant should have minimum completed service of 3 years.Should have / should open duly introduced account with us. Employees of Indian Bank and other Banks (PSU / Private / Foreign / Co-op) are also eligible. **Others:** Self employed / Professionals / Traders / Businessmen including HUF, Sole Proprietary concern, Firms and Limited companies, etc. are eligible based on their cash flow. NRI customers are also included subject to the condition that the end use is for bankable purpose, as permitted by RBI. Loan to HUF - Not permitted.
Age Group	**a)Salaried Class:** Minimum Entry level age : 18 years, Exit Level age : 60 years (or date of retirement, whichever is earlier) Wherever the exit age of the applicant goes beyond the retirement age, the "post retirement income" of the applicant has to be duly ascertained and ZLCC may permit relaxation up to 65 years.

	In cases where, repayment is made (fully / partly) through the income of other applicants / Co-applicants, suitable relaxation may be additionally permitted upto 70 years by ZLCC taking in to account the retirement age of such applicants / Co.applicants. **b) P & SE / Other Individuals / Sole. Proprietor:** This category includes individuals (not covered under othercategories) also who have regular income through definite sources (that are verifiable & backed by income proof) Minimum Entry level age : 18 years Exit Level age : 70 years. **c) Pensioners: upto 70 years**, Pensioners (who are drawing their pension through our branches) can be extended this mortgage loan facility based on their repayment capacity. **For Regular Pensioners & Family Pensioners:** Branch Managers are empowered to consider loans with Maximum Exit Age upto 70 years and ZLCC upto 75 years As permitted in our Pension Loan Scheme, all Central / State Govt. Pensioners, Family Pensioners, Re- employed pensioners may be assisted under this scheme. As the Pension is routed through our bank, separate income proof for the same may not be required. If the borrower includes income through other sources, income proof shall be provided & verified as applicable in other cases.
Purpose	Any purpose including repairs, renovation of buildings, marriage, education, household festivals / functions, Medical or any bankable purpose other than speculative. For Overdraft- Only for business purpose(Non Priority). Existing accounts where overdraft facilities were extended in e-ALB will be permitted to be renewed in proposed new product code as per respective schemeguideline. In case existing limit is not in compliance with the Ind Mortgage scheme guideline, renewal may be permittedby next higher authority.
Income Criteria	**a) Salaried Class:** Minimum Monthly Gross Income of Rs.25000/. p.m., Spouse's income may be added for arriving at eligibility if it is regular & backed by income proof and the same should be available during the entire repayment period. In all such cases, the Spouse shall be included as Co.applicant. **b) Proof of Income:** 1. Latest Pay slip for last six months / Certificate from Employer 2. Latest Income Tax Form 16A / IT Returns / ITAO 3. Copy of Statement of account for a period of 6 months to be obtained and verified with the Pay slip/Certificate. **c) P & SE, Other Individuals, Sole-proprietor & Other Business Class:** Minimum Annual Cash Profit (PAT + Depreciation) of Rs.3.00 lakhs OR Annual Taxable Income of Rs.3.00 lakhs based on latest ABS / ITAO **Proof of Income:** 1.For loans upto Rs.30.00 lakhs – Audited Financial statements not required. Loan amount will be assessed based on as per ITR supported by GST returns (if applicable) and bank statement. For loans above Rs.30.00 lakhs – Audited Financial statement for immediately preceding 3 years. 2.Income Tax Returns for immediately preceding 3 years / ITAO ZLCC may relax this to 'two years ABS / IT Returns /ITAO' based on satisfactory credentials, on a case to case basis. ABS as mandated by law to be obtained.

	c). Inclusion of others income: In exceptional cases, ZLCC may permit inclusion of the income of other family members viz., Adult Children & Parents for arriving at the eligibility / repayment, on following terms: a. Their income is regular & backed by income proof (as stated above) b. ECS is to be registered in favour of our bank towards regular servicing of the loan (either fully or proportionately) in case their salary accounts / other accounts (evidencing income streams) are held with other banks. If their accounts are held with our bank, suitable Standing Instructions towards regular servicing of the loan (either fully or proportionately) are submitted. c. They shall be included as Co-applicants to the Mortgage Loan. Income of other type of relatives shall not be reckoned for extending this loan. The above relaxation to include "others" income" is permissible only in case of individuals (Salaried Class & Others), Prof &Self employed and Sole Proprietorship Concerns.
Margin	40% of the Realisable Sale Value of the immovable property offered as security - if property is situated in Tier I& II cities. 50% in case of properties situated in other places. Margin relaxation up to 5% may be permitted by ZLCC in both the cases.
Loan Amount	**(I)** **Individuals**: – Loan quantum considering age & repayment capacity Minimum Rs.5.00 lakhs. Maximum: Rs.2500 lakhs: ¬ RAPC can sanction upto their delegated powers. ¬ ZLCC can sanction up to their lending powers as per Chart: I-C (Secured OD /Mortgage Loan). ¬ However, proposals beyond the delegated authority to ZLCC or Rs.1000 Lakhs, whichever is lower, and upto Rs.2500 Lakhs to be considered by FGMCA **(II)** **Other than Individuals**: Loan quantum considering repayment capacity: Minimum:Rs.5.00 Lakhs Maximum: Proposals upto Rs.2500 Lakhs may be considered by field functionaries as under: ¬ RAPC can sanction upto their delegated powers. ¬ ZLCC can sanctionup to their lending powers as per Chart: I-C (Secured OD /Mortgage Loan). ¬ FGMCAC can sanction upto Rs.2500 lakhs **(III)** For loan amount beyond Rs. 2500 lakhs, loan will be sanctioned at Corporate office level committee upto their delegated credit powers.
Security	The property offered as security shall be absolute and specific to this loan and should bein the name of the applicant/s. In case of individuals (including P&SE and Sole Prop.), property in the name of spouse / adult children / parents can be accepted (if it is self acquired) subject to including such owners as co-applicants. In case the property is an inherited one, the guarantee or NOC from spouse & all other legal heirs should be invariably obtained. In case of business class, property in the name of Partners / Directors can be accepted. Such owners shall be included as Co-applicants/ Guarantors. Third party properties shall not be accepted for this loan product.

> **Extension of existing securities (already encumbered) to this loan product is not permissible.** However, in case the property is encumbered for Home Loan / HL Related Loans (that are under Standard Category & are Regular for a minimum period of one year) from our bank, the same may be extended to Ind Mortgage Loan - subject to availability of sufficient margin for the

Mortgage Loan & compliance to LTV norms for the Home Loan / HL Related Loans. This can be permitted only by ZLCC.

> Extension of security offered to this loan product to any other loan (sanctioned by our Bank) as an additional security may be permitted by ZLCC in Standard Category accounts (after ensuring availability of stipulated margin for the exposure under Ind Mortgage i.e., DL or outstanding whichever is higher).

> Property owned by Karta of HUF / HUF may also be permitted by ZLCC on following terms:

> Declaration from all the members of HUF giving consent for taking the property of HUF as security to Karta or coparcener as the case may be who proposes to avail the loan The above will be permitted only in cases where there are no minors in the HUF or where the minor members will not be attaining the majority age during the tenure of the loan

> If the property offered is a vacant land, the loan should be sanctioned only by ZLCC. Further, the land mortgaged shall be clearly demarcated and easy to identify. Such landed properties should be either for residential use or

> approved. In all such cases, Patta or other evidence of legal possession as well as up to date tax paid receipts (if applicable)

shall be obtained as per extant guidelines.

> "Open land" located beyond urban limits should not be considered as security for Mortgage Loans. Open Land means land

which is not properly demarcated with specific boundary.

> Demarcation of the property is crucial for Identification purpose as well as for enforcement, in case of necessity. Hence, if the property is not demarcated, such properties should not be accepted as security.

> Lands classified as agricultural land or for agricultural use even if located in other than rural areas shall not be accepted. Industrial land / plots as well as SEZ properties should not be taken as security for the mortgage loan.

Properties taken as security should not have been leased to Hospitals, Nursing Homes, Old age homes, Orphanages, educationalinstitutions or to any other similar social sector infrastructure. However, if leased to commercially run institutions, the same may be considered by ZLCC.

Properties taken as security should be SARFAESI compliant. Due precaution to be taken to ensure that the properties areeasily saleable / marketable without any legal hiccups, in the event of default.

	Branch / Zonal Office should ensure that the property or the area does not fall under any 'acquisition list' announced by State / Central Govt. / Statutory Authorities – either in full or in part. Properties leased out to / utilized by Group Accounts and where such Group Accounts are not enjoying any facilities with our bank - shall not be taken up as security for this product. In exceptional cases, ZLCC may relax this condition and a reasoned note justifying the same shall be a part of its appraisal note and the lease rentals shall be routed through an ESCROW account with our bank. Such cases shall be sanctioned only by ZLCC. Second charge / Extension of EM on such properties shall not be extended to any other banks / FIs. **CERSAI verification of the property shall be made before sanctioning the mortgage loans**. **Properties situated in rural areas should not be taken as security for this loan product.** **Properties which are not enforceable like Agricultural properties, Properties held in the name of Trust, Properties having dues with Government / Statutory Authorities etc should not be taken as security.** The guidelines issued by CO: Legal Dept, vide their Cir. No: Adv: 92 / 2014-15 dated 13/09/2014 (relating to pre existing leases / Court Direction in this regard etc) shall be duly followed.

Rate of Interest & Processing charges	Rate of interest (floating only) as communicated by Corporate Office from time to time will be applicable. For Overdraft – 1% above the applicable ROI for Term loan ROI for Overdraft cases: 1.00 % above the applicable ROI for Term Loan ¬ For considering the Loan Minimum CIBIL Score should be 700 or equivalent ¬ ZLCC & FGMCAC can consider maximum discount of 0.25% & 0.50% respectively on applicable card rate on case to case basis . ¬ In all cases sanctioning authority will ensure steady source of income for repayment of loan.

Repayment	**For Salaried class:** Not exceeding 120 months (No holiday period). Can be extended upto 180 months by ZLCC - If the applicant is employed in: Central / State Govt. undertakings / profit making PSUs / MNCs (rated by FITCH / S&P etc at 'BBB' and above) & Top Notch Corporates (i.e. companies having external rating of "BBB" and above) OR if the mortgage property is situated in Tier 1, Tier II centres on case to case basis. **For Professional & Self Employed / Other Individuals (incl. Pensioners)/ Business Class:** Not exceeding 120 months (No Holiday period). If the mortgage property is situated in Tier I, Tier II centres, the Maximum Period can be extended up to 180months by ZLCC.
Inspection charges	For advances upto Rs.10 lakhs Rs.300 per inspection. For advances above Rs.10 lakhs Rs.1000 per inspection + actual TA/DA charges
Other charges	Charges / Expenses in connection with Mortgage creation / Extension / Cancellation of Mortgage, Credit information report etc
Insurance	Property offered as Security to be insured at borrower's cost with Bank's Clause against Fire, Flood, Earthquake, Riot and other risks, which are normally covered by insurance companies - for the entire loan period.
Engineer Valuation Report and Legal Scrutiny Report:	Engineer Valuation and Legal Scrutiny Report: Two independent valuations are required for advances exceeding Rs.1.00 crore and the average value to be taken for arriving at the eligibility of loan amount (the threshold limit as per CRM / Loan Policy in force). If the difference in valuation is more than 15%, valuation by a third Valuer should be obtained till it reaches a consensus. Similarly Legal Scrutiny Report shall also be obtained from two different approved lawyers in case the Loan sought is for Rs. 100.00 lakhs and above (the threshold limit as per Loan / CRM Policy in force).
Guarantee	In case of self acquired properties held in the name of individuals (including partners / directors who hold the properties) / Sole Proprietor, the personal guarantee of spouse should be obtained. If spouse is not available, guarantee from a family member / relative / third party (acceptable to the Bank) shall be obtained. In case the property is an inherited one, the guarantee or NOC from spouse & all other legal heirs should be invariably obtained. In case of Joint ownership, the personal guarantees of all other Co-owners should be obtained. in case of properties held in the name of Firms / Companies, the personal guarantees of all the Partners / Directors concerned should be obtained.

	The life of the Building (Security) should be more than the repayment period by at least 10 years. EM registration with CERSAI is mandatory. In case of advance to Companies, Charge to be created with ROC As the loan is given against the security of land and building, Branches should not issue any certificate to Tax Authorities enabling the borrowers to seek tax relief under Housing Loan. CIBIL / EXPERIAN Report has to be taken and verified that there is no other existing liabilities; no overdue. If there are existing liabilities, the EMI of the loans should be taken for computing the eligibility. Take over of Ind Mortgage loans can be permitted by ZLCC Criteria for **Take over:** i) Credit Information Reports (CIR) from Credit Information Companies (CIC) / CIBIL Report should besatisfactory. ii) Credit Opinion Report from the existing Bank to be obtained. iii) RBI defaulter's list and CRILC should be verified. iv) Statement of Bank account of all the accounts of the constituent with other banks for the last 12 months have to be obtained and perused. iv) All other applicable takeover norms to be complied.

Documents to beObtained	D1/D2, D131, D57, D67 D3,D32/D33/D33A/D34/D34A/D34B, F16, F137, F178,F189, F190 The revised documentation for Ind-Mortgage loan is ported by CO: O&M Dept. in our Intranet under 'Downloads' – IRV Schemes > Document pertaining to the schemes >Ind Mortgage Loan. **For Overdraft: Document exclusive for overdraft facility will be uploaded specifically**

Product: **IB - RENT ENCASH S**

Parameter	**Norms**
Target Group	Freehold/Leasehold (Residential / Commercial) building owners (individual / joint owners / trust / societies / corporate / firms or any other entity) who have let out / who propose to let out their buildings to top notch Corporates / Public sector undertakings / State / Central Government offices.
Purpose	Any purpose including repairs, renovation of buildings, marriage, education, household festivals, Medical or any bankable purpose
Quantum of Loan	**If the lessee is our Bank / PSBs / Schedule B Banks / Central / State Govt. undertakings / profit making PSUs / MNCs (i.e., rated by FITCH or S&P with rating of "BBB" and above) & Top Notch Corporates (i.e. companies having external rating of "BBB" and above)** Minimum Rs.1.00 lakh Maximum: Rs.500.00 lakhs: if the property is situated in Tier I and Tier II Centres (As per Annexure I) Maximum: Rs.200.00 lakhs: if the property is situated in all other centres (Metro/Urban/Semi-Urban) other than Tier I and Tier II Centres (As per Annexure 1)

	B. If the lessee does not fall under the above category Minimum Rs.1.00 lakh Maximum: Rs.200.00 lakhs: if the property is situated in Tier I and Tier II Centres (As per Annexure I) Maximum: Rs.100.00 lakhs: if the property is situated in all other centres (Metro/Urban/Semi-Urban) other than Tier I and Tier II Centres (As per Annexure I) **Properties situated in rural areas shall not be taken as security for this loan product. This is exempted only in cases where the lessee is our bank / other PSBs**

<table>
<tr><td>Eligible Amount</td><td colspan="2">Minimum: Rs.1.00 lakh Maximum: Rs. 500.00 lakhs. No. of times of Rent: MAX: 120 Months - for Category “A” Lessees 84 Months - for Category “B” Lessees
Other conditions:
(i) Properties taken as security should not have been leased to Hospitals,
Nursing Homes, Old age homes, Orphanages, educational institutions or to any other similar social sector infrastructure.
(ii) Properties taken as security should be SARFAESI compliant. Due
precaution to be taken to ensure that the properties are easily saleable / marketable without any legal hiccups, in the event of default.
(iii) Branch / Zonal Office should ensure that the property or the area does not
fall under any 'acquisition list’ announced by State / Central Govt. / Statutory Authorities - either in full or in part.</td></tr>
<tr><td>Administrative Clearance:</td><td colspan="2">As per extant guidelines, ZLCC need not obtain administrative clearance from Corporate Office for Rent Encash product as it has been removed from Selective Financing (vide ADV-126/2015-16 dated 03.10.2015 Modification to CRM Policy)</td></tr>
<tr><td>Repayment</td><td colspan="2">Repayment Period of Loan:</td></tr>
<tr><td></td><td>Category of lessee</td><td>Repayment period</td></tr>
<tr><td></td><td>PSBs / Central or State PSUs / MNCs (rated by FITCH or S&P with rating of “BBB” and above) & Top Notch Corporates (with external rating of “BBB” and above)</td><td>Maximum 120 months or residual leaseperiod whichever is lower</td></tr>
<tr><td></td><td>Others</td><td>Maximum 84 months or residual lease period whichever is lower</td></tr>
<tr><td>Margin</td><td colspan="2">[3]SBs / Central or State PSUs / MNCs (rated by FITCH or S&P with rating of “BBB” and above) & Top Notch Corporates (with external rating of “BBB” and above)
- Margin on NPV of net receivable 10%;
- Margin on RSV of property - 30%
Others cases:
- Margin on NPV of net receivable 20%; Margin on RSV of property - 40%</td></tr>
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<table>
<tr><td>Security</td><td>i) Assignment of Rent Receivables
ii) EM of freehold property and registration of EM wherever applicable.
iii) CERSAI registration.
iv) Leased properties may be permitted to be taken as security if the Lease is on perpetual basis where the Lessor is Government / Government organizations / statutory body & where the residual lease period is atleast three years or more than the loan repayment period subject to ensuring that there are no disputes relating to the lease or its extension / Lease amount etc. No other types of lease shall be permitted.
v) The property may be located in any area if it is let out for our Bank / other PSBs. The property offered as security shall be absolute and specific to this loan. Extension of existing securities to this loan product is not permissible. Guarantee: 1. In case of properties held in the name of individuals / Sole Proprietor /Joint holders, the personal guarantee of spouse/s should be obtained - if it is a self acquired property. In case the property is an inherited one, the guarantee or NOC from all the legal heirs should be obtained. 2. In case of properties held in the name of Firms / Companies, the personal guarantees of Partners / Directors shall be obtained. 3. Third party guarantee need not be insisted upon.</td></tr>
</table>

Engineer Valuation and LSR	EVR and LSR shall be obtained as per extant guidelines. Second Valuation report shall be obtained wherever the amount of advance exceeds Rs.1.00 Crore. Second Legal opinion shall be obtained wherever the amount of advance is Rs.1.00 crore and above.
Service Charges	Processing charges/EM charges/Incidental charges as communicated by Corporate Office from time to time will be applicable
Other Charges	Actual expenses relating to obtaining EVR & LSR. Beyond a threshold limit two such EVR"s & LSR"s will be insisted Cost of EVR - once in three years till closure of the loan. EM Charges and MOD Registration charges. CERSAI registration charges relating to Credit Information Reports. (CIBIL, EXPERIAN etc.) Property Insurance - covering the entire loan repayment period.

Prepayment Charges	Individual Borrowers: Term Loan - Pre-payment charges - NIL (Term Loan) Overdraft - Pre-payment charges - 2.00% + applicable GST of the balance outstanding or DL, whichever is higher. **Non-Individual Borrowers (irrespective whether Term Loan or OD)** Pre-payment charges - 2.00% + applicable GST of the balance outstanding or DL, whichever is higher. Concession in prepayment charges may be allowed at the time of sanction by the corporate office level sanctioning authorities. ZLCC level can consider concessions as per power booklet.
Documentation	As per Documentation Manual for loan against title deeds. List of documents / Forms pertaining to the scheme are ported by CO: O&M in Intranet > Downloads > PBD Schemes > Rent Encash.

Insurance	Property offered as Security to be insured at borrowers cost with Band's Clause against Fire, flood, earthquake, riot and other risks, which are normally covered by insurance companies.
Pre-release audit & Legal Audit	Pre-release Audit has to be carried out wherever the **amount of advance** is Rs.50.00 lakhs and above. Wherever concurrent auditor certifies compliance of terms & conditions in the pre release stage, separate pre-release audit need not be conducted. Legal Audit has to be carried out where the **amount of advance** is Rs.1.00 crore and above.
NPV Calculation	NPV of the „Net Monthly Rent Receivable" based on applicable ROI (tenor-wise) for the remaining / available period needs to be calculated. NPV Calculator is ported in Help-desk under Desk Officer > Credit > NPV Calculator as an "EXCEL based Calculation Sheer for this purpose.

Others	1. All the guidelines as applicable to lending against immovable properties as detailed in "Conventional Advances" manual should be followed. 2. Up to date EC, Receipts of up-to-date tax paid to local bodies such as Town Panchayat / Municipality Corporation / Any other bodies concerned to be obtained before disbursement and thereafter regularly as per stipulated periodicity till full repayment of the loan. 3. Only the relaxations, as permitted under this Product, are to be considered by ZLCC. Other proposals involving any additional / increased relaxations should not be taken up / referred to Corporate Office, except in exceptional cases. 4. The guidelines issued by CO: Legal Dept, vide their Cir No: Adv: 92 / 2014-15 dated 13/09/2014 shall be duly followed. 5. Tripartite agreement among the tenant, property owner and the Bank to be entered into OR Registered Power of Attorney from the property owner to collect the rent directly from the tenants along with acceptance from the tenants to directly pay the rent to the Bank. 6. Escrow account to be opened and all the rentals should be routed through the account. Surplus, if any, after servicing of EMI and payment of taxes / out-goings relating to the property offered as security, will be made available to the borrowers. 7. Lease deed must be registered. 8. Simple lease deed can be accepted for premises occupied by us (simple lease deed should have been permitted by CO: Premises Department) 9. The lease period (unexpired) shall not be shorter than the loan period and the lease agreement shall not contain any clause which allows downward adjustment in the lease rentals. 10. Certified copy of the rent / lease agreement should be furnished. Applicant to produce affidavit that there is no dispute pending in any court of law in respect of the property (with tenants or with others) 11. The value of the property should be discreetly enquired and accepted. This is apart from the valuation received from the approved value
	12. The residual life of the Building (Security) should be more than the repayment period by at least 10 years. 13. EM must be registered with the Sub-registrar / Registrars Office wherever applicable. 14. EM registration with CERSAI is mandatory. 15. In case of advance to companies, charge to be created with ROC. 16. CIBIL / EXPERIAN report have to be taken and verified 17. Entry level scoring: Applicant should have a minimum Entry level Score of „BBB" as per CRM Policy/Loan Policy. 18. Takeover of Rent Encash loans may be permitted by ZLCC. In exceptional cases, ZLCC may waive registration of lease deed on a case to case basis based on the reputation of Lessee, type of property and market rates (lease amount). This is subject to compliance with the prevailing local laws of the State /UT.
Rate of interest	Variable, slab wise

Product: IB RENTAL PR

Scope of the Scheme	Loan above Rs. 5 crores will be covered under IB-Rental (Loan upto Rs.5 crores under the existing IB-Rent Encash Scheme)

Target Group	Owners of Freehold Property/Leasehold property* (Commercial/Residential) who have let out or propose to let out the property to eligible lessee/Tenants. *Lease hold property may be considered if it is owned by Central Government/ State Government/Other Government bodies, subject to satisfactory legal opinion on the original lease deed which conveys the leasehold rights.NOC/Mortgage permission from these authorities, is to be obtained, wherever necessary. Accepting of such lease hold property may be restricted to TIER I cities.
Eligible Lessee/Tenant	Lessee/Tenant may be any of the following : • Partnership Firms • Reputed Corporates • Multi National Companies • State & Central PSUs • Government Undertakings • Banks including our Bank • Insurance *Companies S* Financial Institutions v' Societies • Trusts • Schools & Colleges • Limited Liability Partnerships In case of non-corporate lessees (i.e., Partnership Firms, LLPs, Societies, Trusts, Schools & Colleges managed by any of such entities) should be well established having minimum 5 years of satisfactory commercial operations in India and enjoying good market standing & reputation. Wherever properties have been leased to Trust, Societies, Schools, Colleges,

	Orphanages, Hospitals, Old Age Homes, Nursing Home or any other Social Sector Infrastructure, in lieu of such properties which are difficult to realize in case of need, alternate property with realizable sale value of not less than 125% of the loan amount can be obtained. Such collateral should be Non Industrial /Non Agricultural and SARFAESI Compliant. Proper due diligence on the tenant / lessee to be made. For the purpose of verification of satisfactory payment record, credit reports of Credit Information Companies such as **CIBIL** to be verified. The score should be above 700, wherever applicable.
Purpose	Any bankable purpose other than for speculative /prohibited purposes.
Quantum of loan	Quantum of loan is subject to Maximum of 144 times of monthly rental value net of TDS (NPV base) pertaining to the residual/unexpired period of lease (certain period only). In case the property has been leased out to our Bank/ other Nationalized Banks/PSUs/Central/State Govt. Undertakings/ Reputed companies, the option period of lease may also be reckoned for the purpose of determining the eligible loan quantum on a case to case to basis.

Property	Freehold/Leasehold Property (Commercial/Residential) acceptable to the Bank. Financing under the scheme is not permitted in case the property is let out to sister/allied concerns. No loan should be given in respect of those properties which fall in the category of unauthorized colonies unless and until they have been regularized and development and other charges paid. No loan should be given in respect of properties meant for residential use under the Scheme but which the applicant intends to use for commercial purposes and declares so while applying for loan. Branch to ensure that the Property or the area does not fall under any 'Acquisition List" already announced by State/Central/Local/Statutory Authority - either in full or in part. Property should be eligible for SARFAESI, easily saleable/marketable in case of default. ****Guidelines for accepting Leasehold property:** Lease hold property may be considered if it is owned by Central Government/ State Government/Other Government bodies, subject to satisfactory legal opinion on the original lease deed which conveys the leasehold rights. NOC / Mortgage permission from these authorities is to be obtained, wherever necessary. Accepting of such lease hold property may be restricted to TIER I cities. Leasehold property can be considered by ZLCC and above subject to the following conditions: If the Lease is on perpetual basis where the Lessor is Government /¬ Government organizations / statutory body. No other types of Lease shall be permitted. The residual lease period is atleast three years or more than the¬ loan repayment period There are no disputes relating to the lease or its extension / Lease¬ amount etc. Lease deed should confer alienation right to the lessee for¬ mortgaging the leasehold rights to the bank i.e., to ascertain whether the terms of lease permit the borrower to assign or transfer the leasehold rights in the land by way of a mortgage Leasehold proposal shall be considered after obtaining specific¬ legal opinion from the Bank's panel advocate on the clauses of Lease deed and SARFAESI compliance In such cases, NOC is required both from the Assignor as well as the Original Lessor, at the time of creation of mortgage and effecting sale.

Lease Deed	Lease Deeds should be a registered deed. Note: Waiver of registration of lease deed can be granted by ZLCC (GM) and higher level authorities for the sanctions falling within their power .ZLCC (DGM/ZM) or ZLCC (AGM/ZM) can approach Corporate office for the waiver of Registration of Lease deed. Finance against future lease rentals will not be permitted in cases where clause of sub-lease is incorporated in the lease deed.

Eligibility	Minimum Rs 5.00 Crores Maximum: Need based with No Limits. Computation of eligibility / quantum of loan: Subject to Maximum of 144 times of monthly rental value pertaining to the residual/unexpired period of lease (certain period only) In case the property has been leased out to our Bank/ other Nationalized Banks / PSUs / Central / State Govt. Undertakings/ Reputed companies the option period of lease may also be reckoned for the purpose of determining the eligible loan quantum on a case to case to basis. **a)** "Monthly Rent (Net of TDS)" constitutes the 'receivable' for the lessor. Hence, NPV shall be calculated based on "Monthly Rent (Net of TDS)" for the residual period of lease. **b)** In case Lease agreement provides for rental revision upward after certain specific period say annually, it may be considered to calculate the eligible amount. The amount of 'advance rent' received is not deducted. Instead, the repayment period shall be reduced by the "No of months' rent" received as advance amount. This ensures that our loan repayment is not affected by the 'advance rent' during the final phase of the lease period. **c)** The statutory / property tax payable is also not deducted. Instead, Branch / ZO shall ensure that the difference between "Monthly Rent (Net of TDS)" and the EMI, is sufficient enough to cover such statutory dues on annual basis. Branch / ZO shall ensure that the EMI does not exceed the Monthly Rent (Net of TDS) and cushion is available to take care of the property tax / statutory dues. If it exceeds / does not cover, the eligible loan amount should be appropriately reduced.
Margin	10% of Present Value (PV) of Net Rentals for Non CRE 20% of Present Value (PV) of Net Rentals for CRE 20% on RSV of the property
Nature of Loan	Term Loan: With pre defined Repayment terms. Overdraft on DP reducing basis: Overdraft Limit shall be adjusted within the sanctioned term by reducing Drawing Power. DP will be reduced on monthly basis in such a way that entire OD sanctioned limit is fully adjusted within the tenor of the loan.
Sanctioning Powers	Only by ZLCC (ZM) and above (including Take over). No proposal with below entry barrier rating grade of "BBB" shall be considered.
Repayment	Maximum repayment period of 144 months on EMI basis. Ballooning **repayment can be considered based on cash flows during the tenor of the loan.** Higher Tenor of loan Repayment (maximum 180 months) may be considered at one level above the sanctioning authority or by CAC/MC for the sanctions made within their respective powers.
Rate of interest	As per extant guidelines.

Security	i) Assignment of Rent Receivables. ii) Equitable Mortgage of property whose realizable sale value shall not be less than 125% of the loan amount sanctioned. iii) In case, the value of the property, net of requisite margin as stipulated in the scheme is lower than the loan the value of the quantum, other residential/commercial properties owned by the applicants/promoters, may be accepted as additional security. In such cases, total value of security offered should cover the exposure in full with requisite margin. iv) In case of shortfall if any, Liquid securities in the form of NSC/KVP/IVP/Our Bank's own deposits equivalent to 110% of the shortfall may be taken. v) In case the property covered under the Lease Agreement cannot be offered as security for any specific reasons.$ (OR) Wherever properties have been leased to Trust, Societies, Schools, Colleges, Orphanages, Hospitals, Old Age Homes, Nursing Home or any other Social Sector Infrastructure**, in lieu of such properties** which are difficult to realize in case of need. **Then alternate property owned by the applicant with realizable sale value of not less than 125% of the loan amount can be obtained. Such collateral should be Non Industrial /Non Agricultural and SARFAESI Compliant. However no third party security is acceptable**. *$The said reasons covering the inability of the applicant to offer the property covered under the Lease Agreement as security, shall have to be clearly explained by the borrower & the same shall be captured in the appraisal note.* **Any relaxations in this regard for accepting alternative security shall be approved only by the COLCC(ED) for sanctions falling under the power of lower level authorities. COLCC(ED) and higher sanctioning authorities can accept alternate security for the sanctions made within their powers.** vi) MoD to be registered (wherever applicable). vii) Registration with Central Registry (CERSAI) is to be ensured. viii) In case of Property is covered under Trust for creation of security, Security Trustee agreement has to be executed with our Bank charge in full.
Pre-payment Charges	Pre-payment from own sources - Nil Pre-payment from other sources - 2.00% (exclusive of GST) of the balance outstanding or DL, whichever is higher.
Tri-Partite Agreement	Tri-partite Agreement between the Borrower, Lessee and the Lender (Bank) duly approved by the empanelled advocate to facilitate collection of future rent from **the Lessee directly by the Bank.** Standard format D 110 may be used for the purpose.

Guarantee	Following Guarantee Standard shall be followed in the case of Lessor – applicants ➢ Individual, Proprietorship Firms: Spouse of the applicant in the normal course. In case spouse is not alive or legally separated, personal guarantee one of the surviving major children shall be obtained. In case the applicant has neither spouse nor major children acceptable third party guarantee shall be obtained. ➢ Partnership concerns & LLPs : All the partners individually and jointly & severally. ➢ Hindu Undivided Family (HUF) : Kartha of HUF & other major co-parceners ➢ Private/Public Limited Company : All the promoter directors of the company (other than professional directors) ➢ Trusts : Managing Trustee & other Trustees having major stake in the Trust (other than minors). ➢ Societies : President, Secretary and other key Office Bearers of the Society. vii. Association Of Persons(AOP) ➢ All the members of the AOP
Authority to approve relaxations	Any modification / relaxation in norms in individual cases shall be permitted / approved by COLCC (ED) for sanctions falling up to the powers of COLCC(ED) and CAC/MC for the sanctions made within their powers.

Product: IB VEHICLE LOAN SCHEME

Eligibility/Target Group: Salaried class, Professionals, Businessmen, Self-employed persons including proprietorship firm, our Staffs, NRIs*, pensioners, employees of other banks with NOC from employer concerned.

ZLCC may sanction loan to Trust and societies for use of vehicle for their officials subject to compliance of other criteria and based on the provision in trust deed /society bylaws.

Type of Vehicle	Minimum Service/Experience
4 Wheeler	2 Years
2 Wheeler	**1** Year (Salaried class/Pensioner) **2** Years (for all other categories)

*For NRIs (individuals only), loan for purchase of 4-wheeler (to be used by his / her family in India) may be permitted subject to the following conditions:

i. Minimum monthly income should be equivalent to INR:.40000/-
ii. Guarantee of resident family member to be obtained (Spouse, Father, Mother, Son or Daughter)
iii. Minimum residual contract should be 3 years.Relaxations:

ZLCC may permit the following:*

In case of confirmed employees of Central Government / State Government Departments / Undertakings / MNC / Reputed Firms & Companies - without insisting on minimum period of service / experience.

	Consider loans on selective basis to Partnership Firms, Limited companies etc. (for use by the Organization / Firm) with good repayment capacity for the use of their executives / Office purposes. ZLCC can consider loan for more than Two Vehicles in each category (2-wheeler or 4wheeler), depending on financials, security and repaying capacity.
Purpose	i)Purchase of New Four-Wheeler / New Two-Wheeler ii)Used Four-Wheeler (Age not more than 3 years) Note: -Purchase of "Used Two-Wheeler is not permitted -Financing of secondhand vehicle based on duplicate Registration -Certificate is not permitted. - -For used vehicle (4-wheeler), the loan amount will be restricted to 80% of the Agreed Purchase Price or 60% of the valuation of the vehicle or insured Declared value (IDV) as per the latest Insurance Policy whichever is lower. -Maximum Two vehicle loans (in both the categories) can be sanctioned* at a time at the Branch level up to the Discretionary limit available subject to repaying capacity of the prospective Applicants. Relaxations: ZLCC may permit sanction of loan for purchase of Used Four-Wheeler aged over 3 years and up to 5 years depending upon the Valuation of the vehicle. -The loan amount will be restricted to 80% of the Agreed Purchase Price* or 60% of the valuation of the vehicle or insured Declared value (IDV) as per the latest Insurance Policy whichever is lower. -No valuation certificate is required if the car is sold by any original* automobile Manufacturer like Maruti True Value, etc. -The ownership of the vehicle is to be verified by the Branch. However,* while financing used cars through original automobile manufacturer, this procedure need not be followed, and payment shall be made directly to the dealer of the original automobile manufacturer. -To protect the Bank in case of any ownership issues which may be* raised by the original owner of the vehicle, a suitable indemnity should be obtained on the letter head of the dealer of such original automobile manufacturer.
Margin	(Two Wheelers) Upto 36 months repayment – 25% and 37 to 48 months repayment - 30% ZLCC may, on selective basis, relax the margin by 5% (Four Wheelers New vehicle) 10% of on road price (Ex-Showroom Price+ TCS + Road Tax+ Insurance) if, CIBIL Score 750 & above or equivalent CIC Score

	Or Customer is an employee of Central Govt./ State Govt./ PSUs Or Other salaried class customer with Gross Annual Income of Rs.18.00 Lakhs & above Or 15 % for other category customers For (Four Wheelers used vehicle), 1. 80% of the Agreed Purchase Price or Market Value whichever is lower, if loan period is 5 years or less. 2. 80% of the Valuation of the vehicle / price quoted by authorized dealer. 3.No valuation certificate is required if the car is sold by any original automobile Manufacturer like Mahindra First Choice, Maruti Suzuki True Value, Toyota U First, Hyundai Promise etc. 4. If loan period is more than 5 years, no change.
Quantum of loan amount	Maximum loan ceiling: **a.** Two Wheelers: Rs. 5.00 Lakhs **b.** Four Wheelers: Rs. 500.00 Lakhs(New Car) Rs.300 Lakh (used car)
Eligible Amount	Four Wheeler:

Type of Occupation	Minimum Gross Income	Eligible amount- Number of Times of Gross Income
Salaried Person	Minimum Gross monthly income of Rs.25000/- and above	Maximum 48 times of Gross monthly salary
Pensioners	Drawing monthly pension of Rs.20,000/- and above,	Maximum 36 times of Gross monthly pension

Professional & Self Employed / Businessmen	An IT assessee having Gross Annual Income of Rs. 3.00 lakhs above as per latest ITR. It should be ensured that ITR has been filed on regular basis (on yearly basis). ITR & Financial statement for immediately preceding 2 years to be produced. The criteria for obtaining financial statement for loans upto Rs.10.00 lakhs may be waived by Zonal office.	Maximum of 3 times of average Net annual income for the last two years as per latest ITR.
Firms & Companies	Firms / companies should be in profit during last two years. Net Profit & cash generation during pendency of loan should be enough for repayment , DSCR as per extant credit policy guidelines in force shall be maintained.	

Two Wheeler:

Type of Occupation	Minimum Gross Income	Eligible amount- Number of Times of Gross Income
Salaried Person	No stipulation of minimum monthly gross income	Maximum 48 times of Gross monthly salary
Pensioners	Drawing monthly pension of Rs.10,000/- and above,	Maximum 36 times of Gross monthly pension

	Professional & Self Employed / Businessmen	An IT assessee having Gross Annual Income of Rs. 1.80 lakhs above as per latest ITR. It should be ensured that ITR has been filed on regular basis (on yearly basis). However, Net take home criteria should be minimum of 40%	Maximum of 3 times of average Net annual income for the last two years as per latest ITR.
	Relaxations: ZLCC can reduce the minimum Gross monthly income up to Rs.20000/- for purchase of a car.		
	Repayment: Two wheelers - Maximum upto 60 months Four wheelers (new vehicle) - Maximum upto 84 months		

Used vehicle Repayment period should be fixed based on the age of vehicle (to be calculated from the date of Purchase of the vehicle by the first owner) subject to a maximum period of 60 months as below:

Age of vehicle	Repayment period
Up to 2 years	60 months
Above 2 yrs upto 3 yrs	48 months
Above 3 yrs upto 4 yrs	36 months
Above 4 yrs upto 5 yrs	24 months

Repayment period should be fixed in such a way that the loan gets repaid within the Vehicle 's initial life span of 84 months - calculated from the date of original purchase. That is 'the Repayment period stipulated' plus 'the age of vehicle at the time of our sanction' should not exceed 84 months.

Security: For Loans upto Rs.25 lakhs:

a) Hypothecation of Vehicle purchased out of the loan amount.

b) If considered necessary by the sanctioning authority (based on the risk perception of the individual proposal) tangiblesecurity / guarantee to be made available for the advance.

For loans above Rs.25 lakh:

a) Hypothecation of Vehicle purchased out of the loan amount.

b) For portion beyond Rs.25 lakhs, 100% collateral security in the form of EM of properties / NSC / Fixed Deposits /Surrender value of LIC policies to be stipulated.

c) Suitable third party guarantee is to be obtained.

Relaxations:

ZLCC may waive obtention of collateral securities for vehicle loan upto Rs.50 lakh on merits strictly based on availability of sufficient risk mitigation in the instant case.

COLCC (GM) may permit waiver of collateral securities for Vehicle Loan above Rs.50 lakh based on availability of sufficient risk mitigation in the instant case.

Guarantee:

a) If income of Spouse, Parents and Children is included provided they are co applicant for the loan.

b) For all Vehicle Loans of 'above Rs.25.00 lakhs', obtaining guarantee of spouse / third party (in case spouse is not available /unmarried) may be insisted.

Payment of Service Charges to Authorised Vehicle Dealers / Sales Executives for successful leads

c) In case of Vehicle Loans 'up to Rs.25.00 lakhs', the guarantee of the spouse or third party (in case spouse is not available / unmarried) acceptable to the bank is to be obtained with the following exemptions:

i. Confirmed employees of Central Govt. / State Govt. / PSUs / MNCs (having external rating of BBB & above) / Top NotchCompanies (having external rating of BBB & above) - exempted

ii. For all other category of applicants viz., employees other than (i) above / professional & self-employed / business class etc the following are exempted:

Type of Loan	Size of Loan	Exemption Criteria
Two wheelers	Upto Rs 0.75 lakh	Exempted
	Above Rs 0.75 lakh	If gross monthly income is Rs. 30000/- & more
Four wheelers	Upto Rs 5 lakh	Exempted
	Above Rs 5 lakh	If gross monthly income is Rs. 75000/- & more

Relaxations:

ZLCC is permitted to waive the same (except 'a' above - where income of the spouse and others, is included), on a case to casebasis ,Zonal Managers are authorized to permit Branches for payment of Service Charges to Authorised Vehicle Dealers / SalesExecutives for successful leads as below:

Product: IB NSC/KVP/LIC

SI no	Particulars	Service charges Payable
1	Service charges to Authorised four wheeler Dealers	Business upto 75.00 lakhs per month @1.25%, Business above Rs.75.00 lakhs and upto Rs.150.00 lakhs per month @ 1.50%, Business above Rs.150.00 lakhs per month @ 2.00%, subject to maximum of RS.10.00 lakhs
2	Service charges to Sales Executives	@ 0.25% of the four wheeler loan (Limit) with a cap of Rs. 10,000/- per loan. (Including GST)

Product: IB PENSION LOAN

Eligibility/Target Group	Central & State Government Pensioners, Family Pensioners, Re-employed Pensioners, IB retirees both under VRS & superannuation whose pension accounts are maintained with our Branches. CRS retirees and EPF Pensioners are not eligible for Pension Loan.
Purpose	Any expenses like Medical, Education, Family & domestic functions, marriage etc.
Margin	NIL
Age Limit	At the time of availing loan : For regular pensioners up to 75 years at entry level and exit age 78 years, For family pensioners : Entry age 70 years Exit age 73 years.
Loan Amount	Maximum 15 times of monthly Pension with no cap on minimum and maximum amount. Maximum 12 times of monthly pension credit subject to maximum Loan amount of Rs.2 lakhs but no restriction of minimum amount. Caution: In case of family pensioners, branches need to ascertain the following information to properly decide on the quantum of loan and the EMI / repayment term: 1 .The date of start of family pension **2.** Whether any downward revision of pension is applicable and if so, when due **3.** In case of such downward revision, what is the level /quantum of pension expected. Note: 40% NTHP to be maintained after deducting the EMI for the proposed pension loan.
Repayment	Maximum repayment period up to 10 years or maximum exit age of 78 years for Regular pensioner and maximum exit age of 73 years for family pensioner whichever is earlier
Service Charges	No Charges for Loan amount up to Rs.25000/- For Loan amount more than Rs.25000/-, Rs.250/- + GST of 18% as lump sum For IB retirees - exempted from the purview of the above service charges.
Others Important Conditions	Security /Documents **1.** Authorization to recover monthly loan instalment from the SB account where pension is credited. **2.** Guarantee of spouse/ legal heir 'eligible for family pension' to be obtained. If spouse/ legal heir 'eligible for family pension' is not available, guarantee of a legal heir or a family member with sufficient income (i.e., not less than the pensioner's income) should be obtained along with proof of income i.e Latest salary certificate or latest Form 16 or latest IT assessment order If both (spouse / legal heir or family member) are not available, a suitable third party guarantee (preferably a relative) may be obtained (whose net-worth should be at least equivalent to the loan amount) **3.** Original Pensioner's Portion PPO. **4.** Intimation to PPA (Pension Payment Authority) Where Branch is receiving credit of Pension as Crediting Bank The Pensioner's portion of PPO should be obtained and retained along with documents.

Target Group	All properly introduced customers, whose capacity to service the loan and interest is appraised. (Including all Staff Members, VRS/ Retired staff. Corporate/ reputed partnership firms may also be sanctioned loan/OD against said securities under this SLP.
Eligibility	Loan is allowed against LIPs of any Insurance Company where surrender value is available and Assignment of Policy in Bank's favour is allowed by the concerned insurance company. However, Loan Against Money Back Policy & Unit Linked Insurance Plan are not permitted under this Scheme.
Purpose	For any permitted bankable purposes such as Trade, Housing, Profession, Personal consumption and educational purposes etc
Margin	Minimum 20% of the surrender value of the Insurance Policy for Individual Customers.
Repayment	Not exceeding 5 years for NSC/KVP & 6 years LIC Policy
Processing Charges	As per extant guidelines
Security	Lien on NSC. Post Office Lien marking charges to be recovered LIC: Assignment of LIC Policy in Bank's favour.

Revised IBA Model Educational Loan Scheme For Pursuing Higher Education in India and Abroad [2022] & Non IBA Scheme for pursuing Exective Management Program/Executive MBA on Part-Time/ Distance Education Mode for Working Professionals

S. No	Parameter	Norms
	Eligibility Criteria **1.1 Admission**	Student should have secured admission to a higher education course in recognized/ accredited institutions in India or Abroad through Entrance Test/ Merit Based Selection process after completion of HSC (10 plus 2 or equivalent). The identified beneficiaries of PM Cares for Children Scheme, developed by the Ministry of Women and Child Development. It would be in order to consider providing education loan to a deserving student for studies abroad on the basis of invite/ conditional offer letter. Such cases may be considered by RAPC/ZLSCC/ZLCC/FGMCAC/CO based on employability, merit of the institution and placement record/ prospects, subject to respective Discretionary Authority. Executive Management Program/ Executive MBA: i. Admission for these courses is to be considered based on the entrance exam (if any)/ offer letter by the college/university/ institute. ii. Applicant should be at least Graduate or equivalent in any discipline. iii. He/ She should be a working professional with minimum 3 years of relevant work experience. iv. For our staff permission from competent authority is required for pursuing the course.
	1.2 Nationality	The student should be an Indian National (including Non- Resident Indian [NRI]).

		For NRI, Persons of Indian Origin (PIO)/ Overseas Citizen of India (OCI), and students who were born abroad (having overseas citizenship by birth, when parents were on deputation with Foreign Government/ Government agencies or International/ Regional agencies etc., and now studying in India after repatriation of their Parents), loans can be considered for studies in India only. However, such facility will be subject to Regulation 7 (C) of Foreign Exchange Management (Borrowing and Lending in Rupees) Regulations, 2000 [Notifications No. FEMA.4/2000- RB dated 03.05.2000 and further amended vide Notification No. FEMA.115/2004-RB dated 25.03.2004].
	1.3 Meritorious	Meritorious student means: If the admission to an eligible course is through a merit based selection process, he/ she could be considered as meritorious student. If the admission to professional and technical courses is through common entrance test, those who get admission though this process could be considered meritorious students.

	1.4. Credit worthiness	Note: It would be in order to consider a meritorious student (who qualifies for a seat under merit quota with one institution for a course through competitive exam) eligible for loan under this scheme even if the student chooses to pursue a course under Management Quota (for the same course with other institution). For cases other than covered under Government subsidy schemes CIBIL score of student, Co-Applicant/s and Guarantor (wherever applicable) to be 700 and above or (-1). Further, the student borrower may not have a credit history and as such he/ she is assumed to be creditworthy. In case of CIBIL score less than 700 permission from competent authority to be obtained*. While considering education loan for studies in India for NRI/PIO/OCI student, co-applicant/s /guarantor should be a permanent resident of India. In case, parents are also NRI/PIO/OCI, then additional co- applicant who is a permanent resident of India with acceptable credit history as per Bank's norms and sufficient net worth covering the loan amount may be accepted as co-applicant. *Please refer Circular no. 21589 dated 09.03.2023 and Circular no. 21356 dated 01.12.2022

2	**Eligible Courses**	For Studies in India Courses as initiated under various Government subsidy schemes. Approved courses leading to graduate/ post graduate degree and P G Diplomas conducted by colleges/ universities recognized by UGC/ Government/ All India Council for Technical Education (AICTE)/ AIB Merchant Services (AIBMS)/ Indian Council of Medical Research (ICMR) etc. Courses like ICWA, CA, CFA etc. Courses conducted by Indian Institute of Management (IIMs), Indian Institute of Technology (IITs), Indian Institute of Science (IISC), Xavier School of Management (XLRI), National Institute of Technology (NITs), National Institute of Design (NIDs), National Institute of Fashion Technology (NIFTs) etc. Regular Degree/ Diploma courses like Aeronautical, pilot training, shipping, etc., or any other discipline approved by Director General of Civil Aviation/ Shipping or any other regulatory body as the case may be. Approved courses offered in India by reputed foreign Universities. Under Graduate courses offered by Institutes of Hotel Management established under the Umbrella of NCHMCT (National Council for Hotel Management and Catering Technology). However, Diploma in Teacher Training course is not eligible under the scheme.
		Executive Management Program/ Executive MBA For doing Part-time/ Distance Education Mode to Working Professionals including our Bank's Staff from Institutes under Premier Elite, Premier Special and Premier categories. For studies Abroad For any accredited/ recognized Courses. Courses as defined under various Government Subsidy Schemes. Graduation: For job oriented professional/ technical courses offered by reputed universities/ institutions. Post-Graduation: MCA, MBA, MS, etc. Courses conducted by CIMA - London, CPA in USA etc. Degree/diploma courses like aeronautical, pilot training, shipping etc., provided these are recognized by competent regulatory bodies in India/ abroad for the purpose of employment in India/ abroad. Reference: www.topuniversities.com www.qs.com www.webometrics.info

3	**Category of Colleges**	For studies in India, Institutes have been categorised as under: To give our education loan scheme a competitive edge, we have introduced a new category as Premier Elite. As such we have 4 category of institutions as below: Premier Elite (Institutes listed in Annexure - A) Premier Special (Institutes listed in Annexure - B) Premier (Institutes listed in Annexure - C) Others (Recognized courses of Colleges/ Universities/ Institutes not covered under the above three categories.) Annexure - D For Studies Abroad (except institutions in Russia, Ukraine and China) Institutes have been categorized as under: Premier Special: Institutes ranked from 1 to 1000 colleges as per latest Webometrics rankings Institutions ranked above 1000 as per latest Webometrics may be treated in Others category. Other Modifications: Zonal Manager may give benefit in change of ROI, to existing borrower students who have availed loan for their study in institute which is categorized as Premier Elite/ Premier Special, in line with the ROI offered to new students to prevent takeover threat from other banks.

<table>
<tr><td>4</td><td>Expenses to pursue the course</td><td>Expenses considered for loan both India and Abroad:

Tuition Fees*/ Hostel fee$ payable to college as per demand.
Examination/ Library / Laboratory fee as per demand.
Travel expenses/ passage money and living expenses for studies abroad only. (Living expenses is to be assessed by the sanctioning authority based on the average living expenses available for each country).
Insurance premium for student borrower, if requested for finance.
Caution deposit, building fund/ refundable deposit supported by Institution bills/ receipts**
Purchase of books/ equipment's/ instruments/ uniforms***
Purchase of computer at reasonable cost, if required for completion of the course***
Any other expense required to complete the course - like academic &maintenance fee, study tours, project work, thesis etc.***
While computing loan required, scholarships, fee waiver etc., if any available to the student borrower while applying for the loan, may be taken into consideration.
If the scholarship component is included in the loan assessment, it may be ensured that the scholarship amount gets credited to the loan account when received from the Government.
*For courses under Management quota seats considered under the scheme, fees as approved by the State Government/ Government approved regulatory body will be sanctioned subject to viability of repayment.
** These expenses could be considered subject to the condition that the amount does not exceed 20% of the total tuition fees for the entire course.
*** Maximum expenses included under 6, 7 & 8 may be capped at 20% of the total tuition fees payable for completion of the course.
$ Reasonable lodging and boarding charges will be considered in case the student chooses/ is required to opt for outside accommodation.
In case of point 5,6,7,8 for Colleges falling under Premier Elite
/Premier Special Category, need based limit may be considered subject to production of verifiable documentary evidence.</td></tr>
<tr><td>5</td><td>Margin</td><td><table>
<tr><td colspan="3">Minimum Margin requirement</td></tr>
<tr><td>Loan Amount</td><td>Studies in India-All</td><td>Studies Abroad</td></tr>
<tr><td>Up to Rs. 4.00 Lac</td><td colspan="2">NIL</td></tr>
<tr><td>Above Rs 4.00 Lac up to Rs. 7.50 Lac</td><td>5 %</td><td>15%</td></tr>
<tr><td>Above Rs 7.50 Lac</td><td>15%</td><td>20%</td></tr>
</table>
Scholarship/ assistantship to be included in margin.
Margin may also be allowed on a pro-rata basis, as and when disbursements are made.

For Executive MBA Program/ Executive MBA: Margin - 25 %</td></tr>
</table>

<table>
<tr><td>6</td><td>Quantum of finance</td><td>For Studies in India and Abroad:
Need based finance to meet expenses as listed out under Point No. 4 subject to margin requirements as per Point No. 5.

Executive Management Program/ Executive MBA
Maximum Loan Amount: Rs. 25.00 Lacs.</td></tr>
</table>

7	**List of Documents Required**	Student – Applicant Proof of identity and address as per KYC norms. Proof of academic records. Proof of admission offer letter or admission letter from the institution. Statement of cost of study/ schedule of expenses. Passport- size photographs. Suitable documentary evidence to be obtained w.r.t. previous/ existing loans, if any. Passport to be mandatorily submitted in case of Studies Abroad. Aadhaar. Permanent Account Number (PAN) is a mandatory document and to be submitted along-with application or before 1st disbursement. Any other document as specified from time to time. E-mail address and details of social media like Twitter, Facebook, LinkedIn etc. (whichever available) for better future communication with the student/ Co- Applicant. Co-applicant/ Guarantors Proof of identity and address as per KYC norms. Passport size Photographs. Suitable documentary evidence to be obtained w.r.t. previous/ existing loans, if any. Permanent Account Number (PAN) is a mandatory document and to be submitted along-with application or before 1st disbursement. Aadhaar. Any other document as specified from time to time. Note: To avail the benefit of Government subsidy schemes, income certificate/ proof from the designated officials of the respective states/ competent authority, is mandatory before sanctioning of loan@ @Circular no. 21998 dated 15.09.2023 on effective dissemination of Central Sector Interest Subsidy Scheme may be referred.
8	**Security**	A. Primary Security for all Education loan categories: Assignment of the future income of student borrower. $$ Parent(s)/ guardian(s)/ spouse to be made joint/ co-borrowers as applicable. In case of Assignment of future income, it is advised that: Projected monthly income after completing the course shall be obtained from the applicant/s.

		While appraising the proposal, projected monthly income submitted by the applicant should be verified from the placement record of the college/ university/ Educational Institution, Employability based on the course selected, and from other sources/ information available in public domain regarding expected annual package. On verification, these details must mandatorily be captured in the appraisal note without any laxity. B. Loans covered under CGFSEL /Government Interest Subsidy: For loans with limit up to Rs.7.50 lakhs third-party guarantee/ collateral is waived. C. Collateral Security requirements for Loans not covered under CGFSEL: Premier Elite Category: No requirement of collateral security up to loan limit of Rs. 40 Lakhs. However, full collateral security covering entire loan limit is required in the form of SARFAESI Compliant Land (bounded and demarcated)/ Building/ Flat/ Govt. Securities/ PSU Bonds/ Gold Jewellery/ Bank Deposits/ NSCs and LIPs (Surrender Value), if Loan limit is beyond Rs. 40.00 lacs. Premier Special, Premier and Other Institutes (For studies in India and Abroad): Full collateral security covering entire loan limit in the form of SARFAESI compliant Land (bounded and demarcated)/ Building/ Flat/ Govt. Securities/ PSU Bonds/ Gold Jewellery/ Bank Deposits/ NSCs and LIPs (Surrender Value). Loan to wards of Bank's Staff where our staff is Co - Borrower: No Collateral requirement up to loan amount of Rs. 30.00 Lac per Staff, for their wards' pursuing studies in any institute in India or abroad. (For ISB, the amount may be Rs. 40.00 Lac). b) Loan limits beyond Rs. 30.00 Lac (For ISB Rs. 40.00 Lac) to be covered by full collateral security, viz., extension of charge on immovable property acquired through Home Loan, Bank Deposits / NSCs and LIPs (Surrender Value), Govt. Securities/ PSU Bonds/ Gold Jewellery. For Executive Management Programme/ Executive MBA from Premier Elite only No requirement of Collateral Security for Premier Elite Institutes. For Premier Special and Premier Institutes Collateral security is required for full amount. In case of our Staff borrowers, Guarantee of PF/ NPS nominee is to be obtained additionally. For other borrowers, third party Guarantee to be obtained with sufficient Net Worth to cover the loan amount.

		Wherever the land/ building is already mortgaged with us, the unencumbered portion can be taken as security on extension of charge basis provided it covers the required loan amount and accrued interest (if any). Note: In cases where residual value of the property does not cover the accrued interest during moratorium period, other securities, as mentioned in the column of securities may be obtained for the balance amount. $$ Adv-120/2022-23 dated 04-08-2022, Mandatory inclusion of future income in appraisal note
9	Credit Guarantee Fund Scheme for Education Loans (CGFSEL)	a) CREDIT GUARANTEE FUND SCHEME FOR EDUCATIONAL LOANS SCHEME (CGFSEL) Our Bank has become a Member Lending Institution (MLI) by registering with National Credit Guarantee Trustee Company (NCGTC), vide our Bank's Board approval dated 02.11.2015. Educational loans sanctioned up to a limit of Rs.7.50 Lac on or after 16th September 2015, under IBA Scheme, are eligible under this scheme. Salient features of the scheme are as follows: For loans with limit up to Rs 7.50 Lac third party guarantee/ Collateral is waived. (Parents/ spouse to be co-obligant/ joint borrowers). Such loans should conform to the "IBA Model Educational Loan Scheme" for pursuing Higher Education in India and Abroad". Annual Guarantee fee will be 0.50% p.a. of the outstanding loan amount which would be absorbed by the Bank. Guarantee fee will be paid by Corporate Office, based on the data available in Vidyalakshmi portal. The maximum interest rate to be charged by a Member Lending Institution (MLI) on Education Loan should not exceed Bank's Benchmark rate plus 2.00%. The guarantee cover would be available for 75% of the amount in default. Zones/ Branches are advised to properly update status of Education loan application up to limit of Rs. 7.50 Lac before and after Sanction/ Disbursement in VLP portal for coverage of all eligible educational loan accounts and ensure that no account left for Credit Guarantee cover. b) Invocation of Credit Guarantee: Invocation of guarantee is being done centrally at Corporate Office (Recovery II Department), after fulfilling the norms and obtaining Certificate from Zonal Office. We may invoke the guarantee in respect of Education loan within a maximum period of one year from date of NPA, if NPA is after lock-in period* OR within one year from lock-in period, if NPA is within lock-in period. * Lock-in period = One year from Repayment Start Date Invocation of Credit Guarantee is an ongoing process and involves ensuring the following procedure by the Branches and Zonal Office:

		Diarize the repayment start date (Lock-in period date) and NPA date for all education accounts covered under Credit Guarantee Scheme. Lock-in period date Vs NPA date has to be analyzed. All recovery measures to be taken. Legal Notice, recalling the entire dues, has to be sent to the borrowers and parent(s)/ guardian(s). Legal action such as issuing legal notice, filing suit etc., wherever necessary may be initiated. Initially 75 % of the claim amount will be settled by NCGTC within 30 days, subject to the claim being otherwise found in order and complete in all respects. This amount will be received in the current account of our bank and then the same shall be credited to the individual beneficiaries account by Corporate Office. Any subsequent credits received (recovery) in the loan account has to be transferred to NCGTC on regular basis. This process also shall be done at Corporate Office, Recovery – II Department. Once all avenues of recovery have been exhausted, final claim (25%) has to be lodged with NCGTC. Audit Certificates has to be submitted to NCGTC. Proper record to be maintained with respect to guarantee cover issuance, claim lodgement, settlement of partial claim, recoveries received & remitted to NCGTC and final claim lodgement & settlement.
10.	Rate of Interest	Rate of Interest is Institution specific and as per ANNEXURES A, B, C, D. (Rate of Interest are as on date of this Circular; please refer to subsequent circulars issued time to time for up-to-date ROI) Sanctioning Authority is advised to stipulated the following condition invariable in all sanctions: Bank may partially or fully withdraw concession in ROI with one month prior notice, if Repo rate reduces by 50 basis point or more from current Repo rate… %. The rate of interest mentioned is after allowing concession of ……….%. Note: Sanctioning Authority to mention the above clause invariably in all sanctions wherever concession is involved and acknowledgement of borrower as well as guarantor must be obtained without fail.

11.	**Repayment Period**	For studies in India and Abroad Loan repayment period: 180 EMIs/ PMIs after the end of the moratorium period. In addition to the existing repayment option of EMIs, Progressive Monthly Instalment (PMIs) may also be fixed in view of the fact that income of the student borrower will progressively increase during the repayment tenure. PMIs may be fixed by splitting the 15 years' repayment tenor into 3 slots of 5 years each. PMIs may generally be kept low for the first slot of 5 years and progressively increased for the next 2 slots. It should however be ensured that PMIs are more than the monthly interest applied in loan account. These may be fixed in consultation with the borrowers after explaining to them regarding consequential increase in EMI subsequently. Repayment Holiday/ Moratorium period: Course period plus 1 year or employment whichever is earlier in all cases. The accrued interest during the moratorium period, if not paid, should be added to the principal and repayment will be fixed accordingly Additional Moratorium period: Up to three spells of additional moratorium period may be allowed (not exceeding six months each) during the life cycle of the loan taking into account spells of unemployment / underemployment, without treating the exercise as restructuring subject to appropriate inclusion of the same in terms and conditions of the loan agreement. However, banks would be required to maintain a higher provisioning of 5% during the said additional moratorium period and one year thereafter. Moratorium on repayment of principal and interest may also be considered by the sanctioning authority for the incubation period not exceeding 2 years, if the student borrower is setting up start-up unit(s). A suitable undertaking / declaration to be obtained from applicants in this regard. The facility of extended repayment period and increased number of moratorium for repayment may be extended to existing borrowers whose accounts are classified as 'standard'. The features of the Scheme may be disclosed to all the existing borrowers who have availed educational loans. If the student is not able to complete the course within the scheduled time, extension of time for completion of course may be permitted for a maximum period of two years. A suitable undertaking/ declaration to be obtained from applicants in this regard. If the student is not able to complete the course for

		reasons beyond his control, sanctioning authority may at his discretion consider such extensions as may be deemed necessary to complete the course. In case the student discontinues the course midway, appropriate repayment schedule will be worked out by the bank in consultation with the student/ parent. Restructuring: Any other concession or moratoriums (exceeding those specified in the original sanction and additional moratorium period provided) for a borrower under financial difficulty would be treated as restructuring and attract the prudential norms thereof. For Executive Management Programme/ Executive MBA: As the loan is for working executives, no moratorium is allowed. Repayment: Up to 120 months, EMIs commencing from the next month after first disbursement. However, for Bank's Staff, in case cessation of service occurs by way of VRS/ Resignation/ Superannuation before expiry of loan tenor, entire loan is to be liquidated. Note: No prepayment penalty will be levied for prepayment of loan any time during the repayment period
12	**Insurance**	Life Insurance policy for the students availing Educational Loan is mandatory for the loan limit sanctioned, covering the entire period of loan i.e. Study Period, Holiday/ Moratorium Period and Repayment Period. It can be done under the group life insurance policy i.e., New IB Jeevan Vidya (offered by LIC)/ IB Vidyarthi Suraksha (offered by PNB Met Life) or under any other policy, as desired by the student borrowers The premium payable for the policy may be considered as an element, eligible for finance. ** However, Life Insurance can be waived off by the sanctioning authority on receipt of request by all the Applicants on case to case basis in case of Loans sanctioned with 100% Collateral Security covering the entire loan amount and interest accrued during the Moratorium period. ** Refer various circulars, 16081 dated 02.04.2018, 20277 dated 29.07.2021, 20479 dated 02.11.2021 and 21458 (CRA-69/2022-23) dated 09.01.2023.

13	**Sanctioning authority**	Wherever Mortgage of Property/ Collateral is involved: RAPC up to their discretionary power. Beyond RAPC powers, the proposal is to be processed and recommended to ZLSCC/ ZLCC/ FGMCAC/ CO for further sanction. Wherever Mortgage of Property/ Collateral is not involved:

Category of Institutes	Amount	Sanctioning Authority
Premier Elite	Up to Rs. 30.00 lakhs and for ISB up to Rs. 40.00 lakhs	Branch Managers up to their Discretionary authority

			Above 30.00 lakhs and for ISB above Rs. 40.00 lakhs	ZLSCC and above up to their Discretionary authority*
		Premier Special/ Premier colleges	Up to Rs 7.50 Lac covered under CGFSEL scheme.	Branch Managers up to their Discretionary authority
			Above 7.50 Lac	ZLSCC and above up to their Discretionary authority*
		Other colleges	Irrespective of Loan amount	ZLCC and above up to their Discretionary authority*
		*If Collateral security is waived by FGMCAC For Staff members and Wards of Staff (where our staff is Co- Borrower): Loans will be sanctioned by respective ZLCC related to the Branch through which loan is applied. In case of ZMs, loan will be sanctioned by FGMCAC related to the Branch through which loan is applied. For all GMs/ Directors, COLCC GM will be the Sanctioning Authority.		
14	**Follow up/ Monitoring**	Branches are required to visit residence of the student at least once in a year. While releasing the 2nd and subsequent instalments, Branches to obtain feedback from college/ university authorities regarding progress of the student who have availed loans. Branch should be in touch with the student through email/ social media like Facebook, WhatsApp, etc. to know about his wellbeing / whereabouts. Keeping a track of student borrowers after completion of their course of study assumes greater importance, in the backdrop of the students seeking jobs/ employment in various parts of the country and abroad, migrating from place to place.		

IB Education Loan studying In India Abroad	Up to Rs 10 Lac Nil, >Rs 10 Lac 0.15% maximum. 3000/- + applicable GST
IB Education Skill Loan	NIL
Education Loan Under Credit	

		In case of studies abroad, the SSN (Social Security Number) /Unique Identification Number [UIN]/ Identity Card should be obtained and kept on record. The Aadhaar number issued by UIDAI (Unique Identification Authority of India) to be captured in bank's system. Branch to invariably obtain employment details of the student after the completion of the course. Email address and details of social media accounts of student, Co-Applicant and Guarantors to be kept in the file for easy communication

15	Charges	Vidyalakshmi fees is to be borne by the student/ applicant (Currently 100 + GST, subject to change). Processing charges for Education Loan is as below. Note: Branches are to refer to Service Charges circular issued by CO from time to time. Documentation Charges and Charges for review of Term Loans are not applicable to Educational Loan. Vidyalakshmi fees Rs. 118/- (including GST) will be debited centrally by Corporate Office and Branches are informed not to debit any Vidyalakshmi fees from customer.
16	Capability Certificate	Some of the foreign universities require the students to submit a certificate from their bankers about the sponsor's solvency/ financial capability, with a view to ensure that the sponsors of the students going abroad for higher studies are capable of meeting the expenses till completion of studies. Zonal Managers can issue the capability certificate for students going abroad for higher studies. For this purpose, financial and other supporting documents should be obtained from the applicant. The procedures for issuance of 'Capability Certificate' and service Charges applicable are communicated vide our Circular No. ADV- 53/2004-05 dated 10.08.2004. The precautions to be taken for issue of capability Certificate are communicated in our Circular No. Adv- 111/2013-14 dated 07.01.2014.

17	**Other Conditions**	Sanction of loan to more than one child from the same family: Existence of an earlier education loan to the brother(s) and/ or sister(s) will not affect the eligibility of another meritorious student from the same family for obtaining education loan from the Bank. Minimum Age: There is no specific restriction with regard to the age of the student to be eligible for education loan. However, if the student is minor while the parent executed documents for the loan, undertaking letter (F162) is to be obtained from the student, upon attaining majority. Student's CIF is to be made as Primary in the Education Loan Account and the Parent's CIF has to be linked as Co-Borrower. Top up loans: Top up loans may be considered to students pursuing further studies within the overall eligibility limit, if such further studies are commenced during the moratorium period of first loan subject to ensuring repayment capacity and taking required security as per scheme norms. The repayment of both the loan will commence after the completion of the second course and further moratorium period, as provided under the scheme irrespective of student availing loan from us or not for further studies. Joint Borrower: Joint borrower should normally be parent(s)/ guardian of the student borrower. In case of a married person, joint borrower can be spouse or the parent(s)/ parents-in-law. Wherever parents are not there i.e., both the parents are deceased or the student has been abandoned by the parent(s) or their whereabouts are not known or orphaned otherwise, suitable third parties acceptable to the Sanctioning Authority may be considered as co-borrower taking their net-worth into account. No Dues Certificate: No Due certificate from other Banks/ FIs, need not be insisted as a precondition while considering Educational Loan. However, branches may obtain a declaration/ affidavit by the applicant confirming that no loan(s) for the same purpose is/ are availed from other bank(s). As in case of processing any other loan the details of liabilities of applicant and Co-applicant(s) are to be checked from CIBIL or any other equivalent report. Savings Bank Account: Normal savings Bank Accounts is/ are required to be opened in our Bank by Applicant, Co-Applicant(s) and guarantor(s) if not already there.

		Disposal of loan application: All Education Loan Applications are to be mandatorily routed through Vidyalakshmi portal. Education Loan accounts eligible for subsidy has to be routed through both Vidyalakshmi portal and National Portal mandatorily. No loan application should remain unattended in the Vidyalakshmi Portal. Loan application should be disposed of in the normal course within a period of 15 days, but not exceeding the time norms stipulated for disposing of loan applications under priority sector lending. Zonal Offices/ Branches are advised to meticulously adhere to the revised IBA educational loan scheme guidelines with prudence and dispose applications without giving any room for complaints.
18	**Classification of Account**	Education loan to individual for education purpose including vocational courses up to sanctioned limit of Rs. 20.00 Lac irrespective of the sanction amount are eligible under priority sector, which is subject to change from time to time.
19	**Reimbursement of Fees**	Reimbursement of fees can be considered for genuine cases under the following circumstances, subject to margin stipulations and submission of Original Fees Receipts: Fees is paid in advance to secure admission, before sanction of educational loan. Fees paid for the academic year in which the loan application is submitted, can only be reimbursed.
20	**Courses pursued in India and Abroad**	If a course is partly pursued in India and partly Abroad and if the institution in India issues graduation certificate, the loan account is to be opened under Studies in India. But the account will not be eligible for subsidy under Central Sector Interest Subsidy (CSIS) Scheme. If a course is partly pursued in India and partly Abroad and if the foreign institution issues graduation certificate, the loan account is to be opened under Studies Abroad.
21	**Deviations / Relaxations in Norms/Parameters**	In order to bring flexibility in sanction terms like expenses considered, eligibility, margin, and security norms, relaxation may be considered on a case-to-case basis by FGMCAC. For other Modifications/ Deviations/ Relaxations in the norms as stipulated above including of institutes in the Premier Elite/Premier Special category and ROI may be permitted/ approved by COLCC(ED) on a case to case basis, based on merits of the proposal.

22	**Takeover of Education Loans**	Takeover of Education loans other than Premier Elite institutes is permitted on satisfaction of the following eligibility criteria. Loan Accounts where repayment has started, the student Borrower has been placed on a suitable job, at least 12 EMI's have been paid and accounts are regular. Accounts are fully backed by Collateral Security. Accounts are standard as on date of takeover and never restructured/ rephased. For students of Premier Elite institutes, Takeover of Education loans from any Bank/ FI is permitted on satisfaction of the following eligibility criteria. Education Loans under Premier Elite category institutes may be done anytime during the currency of the loan (which includes Course period, Moratorium & repayment period) provided the guidelines for Sanctioning Education loan in this category of institutes are complied. Student should be Regular and Consistent in existing course/ studies. All other existing norms for Takeover of Education loan are to be complied.

Annexure – 2

IB SKILL LOAN SCHEME (IBA SCHEME)

Indian Banks Association (IBA) vide letter No. RB/CIR/SLS/1051 dated 10.05.2015 has informed that Department of Financial Services, Government of India had forwarded a Skill Loan Scheme for vocational courses. The Skill Loan Scheme was examined by IBA and the same was approved by IBA Managing Committee on 26.06.2015. The Skill Loan Scheme replaces the existing IBA Model Loan Scheme for Vocational Education and Training. IBA has forwarded the Skill Loan Scheme to banks for adoption.

Our Board has accorded approval for adoption of the "Skill Loan Scheme" on 27.08.2015. The Skill Loan scheme is eligible for coverage under credit guarantee scheme for skill development which has been introduced by Government of India. GOI has established National Credit Guarantee Trustee Company (NCGTC) for this purpose. Our Bank has already become a Member Lending Institution (MLI) of NCGTC with the approval of the Board on 02.02.2015.

Objective:

IB Skill Loan Scheme aims at providing a loan facility to individuals who intend to take up skill development courses as per the Skilling Loan Eligibility Criteria.

The identified beneficiaries of PM Cares for Children Scheme, developed by the Ministry of Women and Child Development will also be eligible under this scheme.

Eligibility Criteria:
Training Institutes:
Any individual who has secured admission in a course run by Industrial Training Institutes (ITIs), Polytechnics or in a school recognized by central or State education Boards or in a college affiliated to recognized university, training partners affiliated to National Skill Development Corporation (NSDC)/ Sector Skill Councils, State Skill Mission, State Skill Corporation, preferably leading to a certificate/ diploma/ degree issued by such organization as per National Skill Qualification Framework

(NSQF) is eligible for a Skilling Loan. The Government of India/ State Governments may, from time to time, notify institutes/organizations for the purpose.

Training Courses:
Courses run by above mentioned Training Institutes aligned to National Skill Qualification Framework (NSQF) may be covered under IB Skill Loan. There is no minimum course duration.

Nationality: The applicant should be an Indian National.

Minimum Age:
There is no specific restriction with regard to the age of the student to be eligible for Skill Loan. However, if the student is a minor, while the parent executes documents for the loan, a letter of acceptance/ ratification from him/ her upon attaining majority to be obtained. Student's CIF is to be made as Primary in the Education Loan Account and the Parent's CIF has to be linked as Co- Borrower.

Minimum Qualification: As required by the enrolling institutions/ organizations as per NSQF.

Quantum of Finance: Loans will be in the range of Rs. 5000.00 to max. Rs. 150000.00

Expenses Considered for Loan:
Tuition/ course fee: Banks shall pay such tuition/ course fee directly to the Training Institute.
Any other reasonable expenditure found necessary for completion of the course including but not limited to assessment fee, Examination fee, Library charges, Laboratory fee,

Caution deposit, Purchase (As such courses are localized boarding, lodging may not be necessary based on the cost of living in the particular area.
However, wherever it has been found necessary, the same could be considered on merit).

Margin: 10.00%

Rate of Interest: Repo + Prime Spread + 1.50%

Processing Charges: Nil

Security: Nil

Moratorium Period:

Courses of duration up to 1 year	Up to 6 months from the completion of the Course
Courses of duration above 1 year	12 months from the completion of the course

In order to instil repayment behaviour and get some commitments from the students, the bank may have instalment during the course period itself. However, the total amount paid by the student as down-payment and EMI during the course together should not exceed 10% of the total course value.

However, it is advised that the banks consider moratorium for specific courses or certain sections of the students.

Repayment:

Loans up to Rs. 50000.00	Up to 3 years
Loans between Rs. 50000.00 to Rs.1 Lac	Up to 5 years
Loans above Rs.1 Lac	Up to 7 years

Insurance: Optional at the requirement of the borrower
.
Prepayment: The borrower can repay the loan any time after commencement of repayment without having to pay any prepayment charges. In case a student is not able to complete the course because of accident/ death/ disability, the bank can seek a pro- rata reimbursement of the unfinished portion of the course amount from the training institute. This will reduce the loan burden on the student.

Bank Mitra: Services of Bank Mitra may be utilized by the branches to popularize the scheme.

Credit Guarantee Fund Scheme for Skill Development:

National Credit Guarantee Trust Company Ltd (NCGTC) provides guarantee to all loans sanctioned under IB Skill Loan known as Credit Guarantee Fund Scheme for Skill Development (CGFSSD). Guarantee Fee is 0.125% of the amount outstanding. Such credit guarantee cover will be for a maximum of 75% of the outstanding loan amount (including interest, if any). In special cases such as the North Eastern region (NE) and Left Wing Extremism (LWE) affected areas the percentage may be increased on the discretion of NCGTC. The guarantee fee is paid for all fresh loan accounts every quarter and the fee is borne by Corporate Office.

The maximum rate of interest under Skill loan covered under Credit Guarantee Fund Scheme for Skill Development is Repo rate plus 1.50%.
Annexure – 3
VIDYALAKSHMI PORTAL

“Vidyalakshmi Electronic Platform”, has been developed by NSDL e-Governance. It is a portal providing single window featuring Information about Educational Loan Schemes of Banks, Common Educational Loan Application Form for Students, Facility to apply to multiple Banks for Educational Loans and Dashboard facility for Students to view status of their loan application and Linkage to National Scholarship Portal for information and application for Government Scholarships.
As desired by DFS, IBA has requested all banks to connect to the Vidyalakshmi Portal, so that the following benefits can be achieved:
Enabling achievement of certain objectives of Pradhan Mantri Vidyalakshmi Karyakram
Centralised Grievances Redressal mechanism for Education Loans.
Centralised information and tracking of Education Loans and MIS/Dashboard for DFS/ Ministry of HRD.
Economies of scale may enable reduction in charges

“Vidyalakshmi- Educational Loan” is available in the In-House Applications of Help Desk. The various steps involved in the process are as follows:

Student has to log in Vidya Lakshmi Portal viz., www.vidyalakshmi.com and choose Education Loan Scheme and Bank of his choice to apply for loan.
The applications received are uploaded in the In-House Application - “Vidyalakshmi - Educational Loan” on a daily basis
Branch has to log in the In-House Application - “Vidyalakshmi- Educational Loan” with their A&L User Id and Password, on a daily basis to check if any loan application is marked against their branch. Branch has to download the application, process the application, mark the status and submit.
Zonal Office also has to log in the In-House Application - “Vidyalakshmi- Educational Loan” on a daily basis to check if any loan application is forwarded to ZO by branches. Nodal Officers in the Zonal Office can log in the portal with their AML/ A&L/ CSIS User Id and Password. The loan application received from branches are to be processed and the corresponding status to be marked and submitted.
The status marked by Branch/ Zonal Office against each education loan application is uploaded to NSDL’s Vidyalakshmi Portal on a daily basis.
Student can view the status of their application as and when updated by the Bank. He can also mark his grievances in the Portal.

All the educational loan applications received should be routed through Vidyalakshmi Portal only.
Branches should update the progress in the portal on daily basis.
The date of disbursement, amount of disbursement and account number should be immediately entered in the VLP.
Rs.100/- plus 18 % tax (Rs.118/- presently) will be recovered from the borrower's loan account by CO after the demand is made by NSDL.
Branches need not remit the Vidyalakshmi application charges to VLP Account.
At present there is no provision has been given by NSDL to modify the submitted educational loan application in Vidyalakshmi Portal.

Similarly, a student can submit his/ her educational loan application only once in the portal.
Hence any changes/ modifications required should be obtained in the physical copy of the application.
If any branch wants to process an application which is already in "rejected status" or "closed status", an email should be sent to our Department (hopbd@indianbank.co.in) stating the details for placing a request to NSDL to open the entry in Vidyalakshmi Portal.
The details such as loan account number, amount disbursed and date of disbursement to be sent to CO: Retail Assets Department to update the same in VLP at backend.
Note:
If, due to lack of access to internet facility, any application is received in physical form, the same has to be uploaded on VLP immediately after sanction.

The sanction as well as rejection (with reasons) should also be reported by the bank concerned on the VLP portal.

Processing of Education Loan Application and Timeline:

As per the Model Educational Loan Scheme, Educational Loan applications have to be disposed of in the normal course, within a period of 15 days, but not exceeding the time norms stipulated for disposing of loan applications under priority sector lending. The status of Education Loan Application is viewed directly by DFS, MoF and student. Hence the Branches/ Zones are advised to strictly adhere to the guidelines and time norms for disposal of applications.

Rejection of Application:
No application for educational loan can be rejected by Branch Managers either orally or in writing without the written concurrence of ZLCC including the cases where CIBIL score of student is below 700 and the reason for rejection should be communicated to the students by updating the status in the portal and also the reasons for rejection should be entered in the Remarks column.

Updation of entries in Vidyalakshmi Portal:
The status of the application should be updated immediately in the portal. Ensure that there is no entry pending in the Vidyalakshmi Portal beyond 30 days. Zonal Offices are advised to follow-up with the branches and ensure the same.
Annexure – 4

EDUCATIONAL LOAN – SUBSIDY SCHEMES

Earlier three subsidy schemes were available:
Central Scheme to provide Interest Subsidy to Educational Loan (CSIS) – for studies in India***
Padho Pardesh Scheme– Discontinued (Reference - Circular no. 21378 dated 09.12.2022)
Dr. Ambedkar Interest Subsidy on Educational Loan (IBA Scheme) for Overseas Studies for OBCs/ EBCs (ACSISOBCEBC) – Discontinued (Reference - Circular no. 21749 dated 09.05.2023)

Central Scheme to provide Interest Subsidy to Educational Loan (CSIS)

The salient features of the Central Scheme to provide Interest Subsidy to Educational Loan accounts:

The scheme is applicable for "Study in India" only. Educational loans for studies abroad are not eligible. If a course is pursued partly in India and partly abroad, the same is not eligible for subsidy.
The Scheme is linked to the IBA Model Educational Loan Scheme. The Scheme came into effect from the academic year 2009-10 and would cover loan amount disbursed by banks from 1st April, 2009 onwards.
The Scheme is applicable for pursuing any of the approved courses of studies in technical and professional streams from recognized Institutions in India.
It is restricted to students enrolled in recognized professional courses after Class XII in India in educational institutions established by acts of Parliament, institutions recognized by statutory bodies, institutions set up by Central Government. Students who pursue Engineering course by Lateral entry are also eligible.
As per the scheme, annual gross parental/ family income from all sources should not be above Rs.4.50 lakh. Income proof should be obtained from designated authorities approved by respective State Government/ U.T. for this purpose (e.g. for Tamil Nadu from Zonal Deputy Tahsildar) and to be submitted to the lending branch.
The income of the family as on the date of educational loan application should be taken for arriving eligibility. Subsequent increase or decrease in income will have no effect on the eligibility.
The interest subsidy is available up to the moratorium period.
Interest Subsidy is available towards the amount of interest charged for educational loans for limit up to Rs. 10.00 Lac. If an educational loan is sanctioned for more than Rs.10.00 Lac, interest subsidy will be available for the interest charged for the limit up to Rs.10.00 Lac only
The Interest subsidy is available only once either for the first undergraduate degree course or the post graduate degrees/ diplomas in India.
Admissions for the courses secured under Management Quota are not eligible.
Loans secured by third party guarantee or collateral security are not eligible.
Canara Bank has been designated as the Nodal Bank to administer the interest subsidy claims on behalf of other banks.
MoHRD, GOI has decided to settle the subsidy only to those accounts whose moratorium has ended or ending shortly. The repayment commencement date should be arrived with due care (Actual course period plus one year. Courses such MBBS, BDS, Veterinary etc., have internship period which should be included under course period).
All subsidy data is being captured in In-house Vidyalakshmi portal and hence due care should be taken while filling up of data in In-house Vidyalakshmi portal.

*** Also Refer Adv-96/2022-23 dated 06.07.2022 revised guidelines of CSIS

Annexure – A

Premier Elite:

Considering the superior quality/ ranking of the Students/ Institutes we have introduced Premier Elite category of Institutes as per Circular no- 21917 dated 28.07.2023. ROI for Education loan availed to study in these institutes will be 8.20%* fixed.

SR No.	Name of the Institute
1	All IIMs
2	AIIMS - Delhi, Bhopal, Bhubaneswar Jodhpur, Patna, Raipur and Rishikesh.
3	Indian Institute of Science, Bangalore.
4	Indian Institute of technology (IIT), Chennai
5	Indian Institute of technology (IIT), Delhi
6	Indian Institute of technology (IIT), Kharagpur
7	Indian Institute of technology (IIT), Varanasi
8	Indian Institute of technology (IIT), Kanpur
9	Indian Institute of technology (IIT), Roorkee
10	Indian Institute of technology (IIT), Mumbai)
11	Indian Institute of Foreign Trade (IIFT), Delhi.
12	Indian Institute of Foreign Trade (IIFT), Kakinada
13	Indian Institute of Foreign Trade (IIFT), Kolkata
14	PGIMER Chandigarh

15	SGPGI Lucknow
16	NIMHANS Bangalore
17	Christian Medical College Vellore
18	KGMU Lucknow
19	JIPMER Puducherry
20	Madras Medical College Chennai
21	BITS Pilani.
22	Xavier labour relations institute (XLRI), Jamshedpur
23	Xavier labour relations institute (XLRI), Delhi-NCR
24	Management Development Institute Gurugram.
25	ISB Mohali and Hyderabad.
26	S P Jain Institute of Management (SPJIMR) Mumbai.
27	Narsee Monjee Institute of Management Studies (NMIMS), Mumbai
28	Birla School of management (BITSOM), Mumbai
29	BITS GOA
30	BITS Hyderabad campus
ROI other than Executive Management Program/ Executive MBA* ROI for Executive Management Program/ Executive MBA* **ROI will be reviewed after a period of 3 years Refer circular no. 21917 dated 28.07.2023 - Introduction of Fixed ROI for Premier Elite *Rate of Interest are as on date of this Circular; please refer to subsequent circulars issued time to time for up-to-date ROI	

Annexure –B

Premier Special Institutes (for studies in Indian & abroad):
List of institutes revamped based on National importance, NIRF - 2023 ranking for studies in India and webometrics/QS ranking for studies abroad.

Sr. No.	Name of the Institute
1	Dept. of Management Studies, IIT Delhi
2	Department of Industrial & Management Engineering, IIT Kanpur
3	Goa Institute of Management (GIM), Goa
4	Great Lakes Institute of Management, Chennai
5	All other IITs not included in Premier Elite category.
6	All other AIIMS not included in Premier Elite category.
7	Indian School of Mining (ISM), Dhanbad
8	Indian Statistical Institutes (ISI) Bangalore
9	Indian Statistical Institutes (ISI) Delhi
10	Indian Statistical Institutes (ISI) Kolkata.
11	Institute of Management Technology (IMT), Ghaziabad
12	Kasturba Medical College (KMC), Mangalore
13	Kasturba Medical College (KMC), Manipal
14	Manipal Institute of Technology (MIT), Manipal
15	National Forensic Sciences University (NFSU), Gandhinagar.
16	National Academy of Health Sciences- St. John’s Medical College Bengaluru

17	National Institute of Industrial Engineering (NITIE), Mumbai
18	National Institute of Technology, Calicut.
19	National Institute of Technology, Durgapur
20	National Institute of Technology, Karnataka
21	National Institute of Technology, Kurukshetra
22	National Institute of Technology, Rourkela
23	National Institute of Technology, Silchar
24	National Institute of Technology, Surathkal
25	National Institute of Technology, Tiruchirappalli.
26	National Institute of Technology, Warangal
27	NID Ahmedabad, Bengaluru, Gandhinagar.
28	Nirma Institute of Management, Ahmedabad
29	Shailesh J. Mehta School of Management (SISOM), IIT Mumbai
30	Symbiosis Centre for Management & HRD (SCMHRD), Pune
31	Symbiosis Institute of Business Management (SIBM), Pune
32	Symbiosis Institute of Business Management, Bengaluru
33	T. A. Pai Management Institute (TAPMI), Manipal [Post Graduate Diploma in Management (PGDM)
34	Xavier Institute of Management (XIM), Xub-Bhubaneswar
35	Xavier School of Human Resource Management (XSHRM), XUB-Bhubaneswar
36	Xavier School of Rural Management (XSRM), XUB-Bhubaneswar
37	For Studies Abroad (except institutions in Russia, Ukraine and China): Institutes ranked from 1 to 1000 colleges as per latest Webometrics/ QS world rankings.

ROI other than Executive Management Program/ Executive MBA*

Classification	Repo Rate	Prime Spread	Other Spread	Effective ROI
Without Credit guarantee	6.50%	2.70%	-0.60% (BSD)	8.60%
With Credit guarantee	6.50%	2.70%	-0.35% (BSD)	8.85%

ROI for Executive Management Program/ Executive MBA*

Classification	Repo Rate	Prime Spread	Other Spread	Effective ROI
With Co-borrower	6.50%	2.70%	-0.60% (BSD)	8.60%

*Rate of Interest are as on date of this Circular; please refer to subsequent circulars issued time to time for up-to-date ROI

Annexure –C

Premier Institutes (for studies in Indian only):
List of institutes revamped based on National importance, NIRF - 2023 ranking.

Sr No.	Name of the Institute
1	All Govt. Run Medical Colleges (All Medical Streams)
2	All other NITs (not included in Premier Special Category)
3	Birla Institute of Management Technology (BIMTECH), Greater Noida
4	Fore School of Management (FSM), New Delhi.

5	Great Lakes Institute of Management, Gurgaon
6	ICFAI Business School(IBS), Hyderabad
7	IFMR Graduate School of Business at KREA University (Formerly Known as Institute for Financial Management and Research)
8	Indian Institute of Forest Management (IIFM), Bhopal
9	Indian Institute of Information Technology (IIIT-PPP) Nagpur
10	Indian Institute of Information Technology (IIIT-PPP) Tiruchirappalli
11	Indian Institute of Information Technology Vadodara- International Campus Diu (IIITV-ICD)
12	Jaipuria Institute of Management, Lucknow
13	Jaipuria Institute of Management, Noida
14	JSS Dental College and Hospital, Mysore
15	JSS Medical College, Mysuru
16	K J Somaiya School of Management Studies & Research
17	K S Hegde Medical Academy, Mangalore
18	K.J. Somaiya Institute of Management (KISIM)
19	Kalinga Institute of Dental Science (KIDS)
20	Kalinga Institute of Industrial Technology (KIIT)
21	Kalinga Institute of Medical Science (KIMS), Bhubaneswar
22	Kirloskar Institute of Advanced Management Studies (KIAMS), Pune
23	Lal Bahadur Shastri Institute of Management (LBSIM), New Delhi
24	Loyola Institute of Business Administration (LIBA), Chennai
25	Manipal College of Dental Sciences (Master of Dental Surgery)
26	Manipal School of Architecture and Faculty of Architecture
27	Marine Engineering & Research Institute, Kolkata
28	Mudra Institute of Communication (MICA), Ahmedabad
29	Nalsar University of Law, Hyderabad
30	National Institute of Bank Management (NIBM), Pune
31	National Law School of India University (NLSIU), Bangalore
32	National Law University (NLU), Jodhpur
33	National Law University (NLU), New Delhi
34	Prin. L. N. Welingkar Institute of Management, Development & Research (WESCHOOL), Bengaluru
35	Prin. L. N. Welingkar Institute of Management, Development & Research (WESCHOOL), Mumbai
36	SDM College of Dental Sciences & Hospital, Dharwad
37	Shri Dharmasthala Manjunatheshwara Institute for Management Development (SDMIMD), Mysore
8	Shri. B.M. Patil Medical College Hospital and Research Centre, Vijayapura
39	Sri Ramachandra Institute of Higher Education and Research, Formerly Sri Ramachandra Medical College and Research Institute, Chennai
40	St. Josephs Institute of Management, Bengaluru
41	Symbiosis Institute of International Business (SIIB), Pune
42	Symbiosis Institute of Management Studies (SIMS), Pune
43	Symbiosis Medical College for Women (SMCW), Pune
44	Symbiosis School of Banking and Finance, Pune

45	Thapar University, Patiala
46	Vellore Institute of Technology(VIT), Chennai
47	Vellore Institute of Technology(VIT), Vellore
48	Visvesvaraya National Institute of Technology (VNIT), Nagpur
49	Yenepoya Dental College, Mangalore

ROI other than Executive Management Program/ Executive MBA*

Classification Repo Rate Prime Spread Other Spread Effective ROI Without Credit guarantee**
6.50% 2.70% 0.00% 9.20%
With Credit guarantee 6.50% 2.70% 0.50% 9.70%

ROI for Executive Management Program/ Executive MBA*

Classification Repo Rate Prime Spread Other Spread Effective ROI Without Co-borrower
6.50% 2.70% 0.00% 9.20%

**Further concession of 0.30% if the same is covered with 100% collateral security
*Rate of Interest are as on date of this Circular; please refer to subsequent circulars issued time to time for up-to-date ROI

Annexure – D

Others:
Recognized courses of Colleges / Universities / Institutes not covered under the above three categories.

D.1 Others (for studies in Indian & abroad)*

Classification	Repo Rate	Prime Spread	Other Spread	Effective ROI
Without Credit guarantee cover**	6.50%	2.70%	2.20%	11.40%
With Credit guarantee cover**	6.50%	2.70%	2.00%	11.20%
With 100% collateral Security	6.50%	2.70%	0.80%	10.00%

** For other than wards of staff, 0.50% concession for girl students.

D.2 Others (For wards of staff only) (For studies in India and Abroad)*

Classification	Repo Rate	Prime Spread	Other Spread	Effective ROI
Without Credit guarantee cover	6.50%	2.70%	0.45%	9.65%
With Credit guarantee cover	6.50%	2.70%	0.50%	9.70%

With 100% collateral Security***	6.50%	2.70%	0.30%	9.50%

***Circular no. 21436 dated 02.01.2023- Revision in ROI with 100% collateral
The ROI's applicable for Premier Elite, Premier Special & Premier Institutes are applicable for loans to wards of staff as well.

*Rate of Interest are as on date of this Circular; please refer to subsequent circulars issued time to time for up-to-date ROI

Product : Non Agri (Priority) loans against pledge of

Eligibility/Target Group	Any individual undertaking such activity as described above & with sufficient income to repay the loan.
Purpose	This product would cover loans against pledge of jewels for Non Agri activities under Priority sector, for purposes other than that covered under Jewel loan to traders and not for any speculative purpose.
Type of Facility & Repayment	For limits up to Rs.5.00 lakh - Short term loan with maximum tenor of 12 months - repayable at the end of 12th month along with interest accrued. For limits above Rs.5.00 lakh - **1.** Short term loan with tenor up to 35 months - repayable in monthly installments **2.** Short term loan with tenor up to 33 months - repayable in quarterly installments based on flow of income.

Interest Application	For Short term loans with tenor up to 12 months, interest will be charged to the account at monthly rests and will be recognized on accrual basis, provided the account is classified as 'standard' account. For Short term loans with tenor >12 months up to 35 months, interest will be charged to the account at monthly rests and payable along with the principal at monthly/ quarterly intervals.
Advance Value	Limit should be assessed based on the activity/ purpose of loan/ turnover etc., as per Bank's extant guidelines for assessment of limit, subject to loan to value of jewels, present rate being Rs. 2460/- per gram (or) 70% of market value of gold whichever is less for 22 carat fineness and Rs.2510/- per gram (or) 70% of market value of gold whichever is less for 22 carat / gold coins of 24 carat fineness.
Papers to be submitted by the Applicant/s	Revised loan Application form F-120B, Appraiser's Certificate, Proof of activity undertaken, KYC documents etc, as applicable
Processing Charges	As per the extant guidelines
Others Important Conditions	Loan to Value (LTV) of 75% should be maintained throughout the tenor of the loan. 5-10% of gross weight should be deducted for impurities/dust etc.

Product: Jewel loan to Traders (Priority)

Eligibility/Target Group	Traders, Businessmen, Professional, Self employed & Entrepreneurs (Existing and new)

Purpose	To meet short term production / working capital needs of Retail Traders, Small Business/ Professional & Self Employed persons and for entrepreneurs engaged in Manufacturing & Service sector activities.
Type of Facility & Repayment	For limits up to Rs.5.00 lakh - Short term loan with maximum tenor of 12 months - repayable at the end of 12th month along with interest accrued. For limits above Rs.5.00 lakh - **1.** Short term loan with tenor up to 35 months - repayable in monthly installments **2.** Short term loan with tenor up to 33 months - repayable in quarterly installments based on flow of income.

Interest Application	For Short term loans with tenor up to 12 months, interest will be charged to the account at monthly rests and will be recognized on accrual basis, provided the account is classified as 'standard' account. For Short term loans with tenor >12 months up to 35 months, interest will be charged to the account at monthly rests and payable along with the principal at monthly/ quarterly intervals.
Papers to be submitted by the Applicant/s	Revised loan Application form F-120B, Appraiser's Certificate, Trader's license, SSI Registration Certificate, Balance Sheet, Latest KYC documents, any other proof / supporting document etc, as applicable for the activity to be undertaken.
Processing Charges	As per extant guidelines
Others Important Conditions	Loan to Value (LTV) of 75% should be maintained throughout the tenor of the loan. 5-10% of gross weight should be deducted for impurities/dust etc.

Product : Non Priority loan against pledge of Jewels	
Eligibility/Target Group	Any individual undertaking such activity as described above & with sufficient income to repay the loan.
Age	Entry Age - Minimum 21 years Exit Age - Maximum 70 years
Purpose	Any activity including medical, consumption, domestic needs, family functions at home like marriage, threading ceremony etc and any such bankable activity other than for speculative purpose.
Type of Facility & Repayment	Non Priority (Bullet Repayment)- Maximum Rs.10 lakhs- Maximum - Repayable at the end of 12th month along with interest (Bullet payment). Jewel Loan with Monthly Repayment (including senior citizens)- No cap on maximum Loan amount-Maximum 35 months - Repayable in 35 monthly installments with interest. Staff Jewel Loan- Repayable in 35 monthly installments with interest Sub staff -Max of Rs.25000/- Clerks - Max of Rs.50000/- Officers - Max of Rs.75000/-
Advance Value	Per gram advance value of Jewels communicated by CO time to time or 70% of market value of the Jewels pledged (LTV) of 22 carat fineness /gold coins of 24 carat fineness whichever is less.
Loan to Value	For JL Under Bullet Repayment: Upto Rs.5.00 Lakhs- 75% Above Rs.5.00 Lakhs upto Rs. 10.00 Lakhs- 65% Non-Agri JL except JL Bullet payment: Irrespective of amount- 70%
Interest Rate	Fixed Rate of Interest as communicated by CO from time to time
Processing Charges	As per extant guidelines

CORPORATE CREDIT

Credit facilities are extended by the Bank for financing genuine commercial activities. The Bank does not lend money for speculative purposes and/or for any unlawful activity.

All credit proposals are subjected to due diligence processes with regard to the credentials of the borrower, purpose of the loan, financial position of the borrower, need based requirement of credit facilities for working capital and capital expenditure, capability to service the loans and security offered.

With a view to mitigating credit concentration risk, the Bank has fixed exposure limits on 'Single Borrower' and 'Group' as per the prudential exposure norms of Reserve Bank of India. While the norms of RBI put a regulatory cap, the Bank has further set in place substantial exposure norms much below the regulatory caps. Similarly, industry exposure limits, Geographical exposure limits, unsecured exposure limits and term loan exposure limits have been fixed, and are periodically reviewed. These limits are discussed in Credit Risk Management Policy of the Bank.

Bank has developed robust internal credit rating and scoring models. These models are used to assess risk associated with a credit proposal, thereby enabling evaluation of its acceptability. Based on the risk appetite of the Bank, hurdle rates are set for accepting / taking additional exposures as well as for determining the approach for lending to various industries.

The pricing decisions are linked to internal risk rating. In addition, overall value of relationship and competition in the market would also guide pricing decisions.

The Bank has a well-defined system of delegation of powers to sanction/approve credit facilities. The terms and conditions/covenants governing any lending arrangement are also well defined. No credit facility can be extended to any borrower unless duly sanctioned by the designated sanctioning authority/committee.

No credit facility can be disbursed unless the standard loan documents in the specified form have been executed.

A valid and enforceable charge in respect of security for the credit facility (ies) as specified in the terms of sanction must be created before disbursement - unless disbursement pending completion of these formalities has been specifically permitted by the designated sanctioning authority.

All loan assets are classified as per guidelines of Reserve Bank of India on Income Recognition and Asset Classification. There are various options available to deal with stressed/non-performing loans, including restructuring, if fundamentally viable, early exit, one time settlement, enforcement of security under SARFAESI Act, litigation in DRT / Court & under IBC(NCLT).

The suitability of the approach adopted is determined on the principle of ensuring minimum haircut / loss to the Bank, taking into account the time value of money. Approval of designated sanctioning authority is obtained for any of the actions indicated above, as per the delegated powers. While this Loan Policy document articulates the broad guidelines and approach to administration of the credit portfolio, the Bank recognizes that there may be occasions when it would be appropriate and necessary, based on sound commercial considerations that are agreed after careful evaluation of individual cases, to permit deviations. Accordingly, authority structure covering delegation of power to permit such deviations are mentioned in the power booklet.

Corporate Lending – Selective Approach

Large corporate segment is identified for exposure to corporate of Rs150 Crore and above from our Bank irrespective of sector, size of loan and group accounts. Large Corporate Vertical (LCV) at Corporate Office will handle all the proposals of Rs. 150 crores and above from any of the branches including MCBs.

Larger Corporate Vertical will prepare Group assessment report for group having aggregate exposure of Rs300Crore & above on yearly basis and share details with all verticals.

Emphasis is given to rating of the borrower to ensure better quality of credit. It is the endeavour of the Bank to extend credit to good quality corporate clients ensuring optimum returns. Better the rating of the corporate; the more is the safety of principal and income to the Bank. Competitive constraints under corporate lending need to be overcome to a large degree by adopting some of the strategies listed below:

- Careful selection of corporate and institutional exposures after thorough appraisal of risks
- Assessment of the volumes generated against the value in terms of income earned while approving corporate credit requests with due regard for pricing.
- The additional requirements of existing customers with good external and internal ratings should be addressed in totality with speed and flexibility in terms. While assessing the working capital needs of existing borrowers, adequate provision should be built in to meet the seasonal variations in credit requirements taking into account peak and lean seasons
- Bank believes in being selective in choosing corporate exposures with an eye on pricing considerations and focus on the mid-corporate segment.

What do you mean by Mid Corporate?	• Mid corporate segment is identified for exposure Rs 25 Crore to less than Rs150Croreboth FB +NFB irrespective of sector. • MCV(Mid Corporate vertical) at CO will handle all proposals falling within the range of Rs 25 Cr to Rs 150 Cr from any branch including LCBs. • With regard to issues pertaining to other approvals and sanctions (to be obtained from corporate office committees/Top Management) for credit limits of less than Rs. 25 crores, if any, from any of the branches, the same shall be handled by respective credit vertical. All account level issues for borrowers having exposure > =Rs 25 Cr and < Rs 150 Cr will be dealt by Mid Corporate Credit Vertical, however matters related to Policy /Product will be dealt by respective credit verticals (RBD, Retail Assets, MSME). • Credit Proposals related to Pooled Assets irrespective of amount will be handled by MSME/Rural Banking/Retail Assets Department based on the underlying assets. • As far as possible, all group accounts are to be maintained at Single Branch. Respective Credit Vertical (RBD/ Retail Assets Department / MSME: < Rs 25 Cr, Mid Corporate: Rs 25 Cr to less than Rs 150 Cr/ Large Corporate: Rs 150 Crore & above) will handle the respective account belonging to any group. However, conduct of account/ other details to be obtained from other verticals to be captured in appraisal memo. • For proposal falling under CO authority, MCBs will directly submit the proposal to Corporate Office under copy to respective ZO &FGMO. The ZO & FGMO will submit their views/observations on the proposals to Corporate Office within 10 days.

What is the reporting of proposals of proposals to mid corporate vertical?

Proposal Details	Branch	Submitted for approval	Submitted for views/recommendation.
Rs. 25 Crore and above	MCB	CO Mid Corporate Vertical	• FGMO for their recommendation • RMD for their advisory.
	Other than MCB	Routed through ZO.	• ZO for processing and submission to CO for approval under copy to FGMO with their recommendation.

				• FGMO : For their views and recommendation.

The same procedure will be followed for seeking approval of NBGs in line with the Loan policy 2022-23.
In terms of the Loan Policy 2022-23 (circular no. ADV-98 dated 07.07.2022); FGMO concerned will submit their specific recommendation within 10 days to a specific mail id(comid.corporate@indianbank.co.in), else it shall be assumed that they have no observations and it carries their recommendation

Why we should verify suppliers' credentials while verifying end use of funds?	To determine actual price, units financial stability to supply the material in time, unit is having sufficient infrastructure to supply the machine in time. Etc.
What is Corporate Loan and what is its purpose?	Corporate Loan is exposure for any bankable purpose to corporate with good track record characterized by healthy cash flows, operating in industries/sectors showing signs of growth is considered as Corporate Loan. The purpose of Corporate Loan is to improve NWC and/or for any bankable purpose aimed at business development.
Methodology to assess Corporate loan	Corporate Loan can be considered only on selective basis to existing IB-BBB and above rated (combined internal rating) both existing and new customers. Repayment of Corporate Loan should be supported by cash flows/DSCR and should be restricted to 5 years. Unsecured Corporate Loan can be sanctioned at the level of COLCC(ED) and above. Takeover of Corporate Loan is not permitted. All Corporate borrowers and non-corporate borrowers (partnership firms and LLPs). Under MSME category only medium enterprises will be eligible.
Time norms for sanction of corporate loans.	The power to consider corporate loan is vested with Corporate Office level committees. Hence it is 90days.
What is the maximum & minimum loan for corporate loan	Minimum amount of loan Rs. 1 Cr. Maximum –no ceiling.

<table>
<tr><td>What are the guidelines for processing of credit proposal of Joint Lending arrangement.</td><td>In case of Joint Lending Arrangement, the following time frames are prescribed

i) For sanction of Fresh / Enhanced credit facilities (including Export Credit):

Should not be more than 90 days from the date of applications / proposals received together with required details / information supported by requisite financial and operating statements by the Lead Bank
<table>
<tr><td>Appraisal by the Lead Bank / Sub Committee</td><td>35 days</td></tr>
<tr><td>Circulation of draft appraisal note by the Lead Bank after convening the JLA meeting</td><td>10 days</td></tr>
<tr><td>Sanction by the member Banks in JLA telescoping with Lead Bank / Sub Committee proposal</td><td>45 days</td></tr>
</table>

ii) For renewal of credit facilities at existing level (including Export Credit):
Should not be more than 45 days from the date of applications / proposals received together with required details / information supported by requisite financial and operating statements by the Lead Bank
<table>
<tr><td>Appraisal by the Lead Bank / Sub Committee</td><td>20 days</td></tr>
<tr><td>Circulation of draft appraisal note by the Lead Bank after convening the JLA meeting</td><td>10 days</td></tr>
<tr><td>Sanction by the member Banks in the Consortium</td><td>15 days</td></tr>
</table>
</td></tr>
<tr><td>Review of account</td><td>Under normal circumstances, review/renewal shall be conducted before expiry of validity of credit limits. Branches/Offices shall submit the renewal proposal 3 months before expiry of validity of limits. In case of delay due to non availability of required information/documents, such as, audited/provisional financial statements, operational data, etc., concerned sanctioning authority shall record the same in review proposal and may review the account for maximum period of 90 days from due date on existing terms & conditions. Such review is restricted to two times within 180 days from due date of renewal. Within 180 days from the original due date renewal must be completed. Additional rate of interest to be charged for delayed submission of renewal papers by the borrowers as per terms and conditions</td></tr>
<tr><td>Audited financial statement</td><td>Any credit facility by way of WC & TL greater or equal to Rs 20 lac or unit having turn over equal to or greater than Rs 1 Cr should accompanied Audited Balance Sheet.</td></tr>
<tr><td>Second legal opinion</td><td>Second Legal Opinion be obtained for securities/properties to be charged to advances of Rs.100 lakhs and above</td></tr>
<tr><td>Fixation of repayment commencement date in BANCs</td><td>Holiday period + monthly/quarterly/half yearly repayment period to be fixed as par sanction ticket.</td></tr>
</table>

<table>
<tr>
<td>Limit where consortium is mandatory</td>
<td>Any fresh exposure to borrowers having Working Capital limit of Rs.500.00 Crore & above from the banking system (other than specifically permitted categories of advances in credit policy) shall be under Consortium Arrangement. NBFCs with external rating of “A” and above, PSUs and MFIs are exempted.

Discretionary Authority to permit relaxations on the above norms on a case to case basis will be as under:

<table>
<tr><th>Exposure falling the authority</th><th>Authority</th></tr>
<tr><td>Up-to CO: CLCC-GM</td><td>COLCC-GM</td></tr>
<tr><td>COLCC-ED and above</td><td>Respective Sanctioning authority.</td></tr>
</table>
</td>
</tr>
<tr>
<td>What are exposure norms in case of Consortium Advances?</td>
<td>The fresh exposure to be assumed by our bank under the consortium shall be preferably minimum of 10% of the total exposure (fund and non-fund based).

Permission for relaxation to this (Less than 10% under consortium) should be obtained from next higher authority for proposals falling up to COLCC (GM) Power.

COLCC(ED) and above can permit this relaxation falling under their respective sanctioning powers.</td>
</tr>
<tr>
<td>Loan System Delivery of Bank Credit.</td>
<td>In respect of borrowers having aggregate fund based working capital limit of ₹150 Crore and above from the banking system, the outstanding ‘loan component’ (Working Capital Loan) must be at least 60 percent of the sanctioned fund based working capital limit, including ad hoc limits and TODs. Drawings up to 60 percent of the total fund based working capital limits shall only be allowed from the ‘loan component’. Drawings in excess of the minimum ‘loan component’ threshold may be allowed in the form of cash credit facility. The bifurcation of the working capital limit into loan and cash credit components shall be effected after excluding the export credit limits (pre-shipment and post-shipment) and bills limit for inland sales from the working capital limit. Investment by the bank in the commercial papers issued by the borrower shall form part of the loan component, provided the investment is sanctioned as part of the working capital limit.
The amount and tenor of the loan component will be fixed by bank in consultation with the borrowers, subject to minimum seven days. Bank may decide to split the loan component into WCLs with different maturity periods as per the needs of the borrowers. Repayment of the WCLs can be in instalments or by way of a "bullet" repayment.
Effective from April 1, 2019, the undrawn portion of cash credit/ overdraft facility for limit of ₹150 Crore and above from the banking system irrespective of whether unconditionally cancellable or not, shall attract a credit conversion factor of 20 percent</td>
</tr>
</table>

	Key Bank guidelines under Loan System for Delivery of Bank Credit are:- 1. Applicable for borrowers enjoying aggregate FB working capital limits of Rs.150 crore and above from banking system. 2. Export and Bills finance are excluded. 3. Investment in Commercial Papers shall form part of Working Capital Loan. 4. 60% of working capital including adhoc limits/ TOD if any, will be in the form of Working Capital Loan. 5. All lenders in the consortium to be individually and jointly responsible to make sure that at the aggregate level, the 'loan component' meets the above mentioned requirements. 6. In case of Multiple Banking arrangements, loan component is to be adhered by all the banks at individual level. 7. The minimum tenor of the loan can be 7 days. It can be for different maturities based on request of the borrower. 8. The repayment of Working capital loan can be in installments or bullet payment. 9. The Working capital loan can be rolled over subject to IRAC norms. As per IRAC norms, Short Term Loans can be rolled over for two times and third roll over onwards shall be treated as restructuring. There is no restriction in rollover for properly assessed regular Working Capital Loans like revolving Cash Credit or Working Capital Demand Loans. 10. Credit facilities extended to State/Central Government agencies and Food Corporation of India for procurement / price supporting activities are exempted from the above guidelines. 11. Credit facilities extended to Central Counterparties and Credit Facilities extended by overseas branches of Indian Banks are also exempted from the purview of the above guidelines.

What is JLA?	Joint lending Arrangement for a single borrower with aggregate credit limits (both fund based and non-fund based) of Rs 150 Crore and above involving more than one Public Sector Bank.
Green field project	New business group, While financing Greenfield projects, offices/branches shall ensure that the promoters who are entering such new field are having adequate business experience and there is a scope for the activity proposed to be started.
Brown field project	It is project in which borrower is going for expansion of its unit at the same site using basic infrastructure of the existing plant only. The promoter should have successfully implemented at least one such project in past and/or are in similar line of activity fore more than 5 years.

Syndication of Loans	→ When a corporate approaches the Bank for funding its project and where the Bank may not meet the entire financial needs of the borrower, the balance term loan / working capital finance would be syndicated. → Syndication is thus very similar to the system of consortium lending in terms of disposal of risk and is a convenient mode of raising long-term funds by borrowers. → Following types of loan facility are commonly syndicated: Term loan, revolving facilities and working capital facilities.
Underwriting of Loans	→ An underwritten deal is one for which the arranger guarantee the entire commitment, and then syndicate the loan. If the arrangers can't fully subscribe the loan, they are forced to absorb the difference, which they may later try to sell to other Banks
Financing infrastructure sector	• Infrastructure projects are often financed through Special Purpose Vehicles. Financing of these projects would, therefore, call for special appraisal skills on the part of lending agencies. Identification of various project risks, evaluation of risk mitigation through appraisal of project contracts and evaluation of credit worthiness of the contracting entities and their abilities to fulfill contractual obligations will be an integral part of the appraisal exercise. • Often, the size of the funding requirement would necessitate joint financing by Banks/FIs or financing by more than one Bank under Consortium or Syndication arrangements. In such cases, RBI permitted participating Banks / FIs may, for the purpose of their own assessment, refer to the appraisal report prepared by the lead Bank / FI or have the project appraisal jointly. We may follow the same. • However, an independent appraisal of the proposals are to be made by appraising officials with regard to the technical and financial aspects of the proposals / projects and the same is to be recorded in the appraisal notes without fail. A certificate should be submitted by Zonal Offices / Branches that they have verified the technical and financial aspects of the project and based on their assessment, the project is technically viable and economically feasible. • While considering the proposals for Solar Power and wind power the sanctioning authorities should ensure that necessary Power Purchase Agreements (PPA) are in place and the project cost is comparable with guidelines issued by Central Electricity

	Regulatory Commission (CERC) from time to time. • Credit limits to other infrastructure sector (other than Educational institutions, hotels and hospitals) can be considered from the level of COLCC (GM) and above under their respective delegated monetary powers. However, Credit Limits to Agriculture Infrastructure Projects can be considered by respective sanctioning authorities up to their delegated powers. • IDC shall be a part of project cost. Flexibility in margin for components of project cost can be permitted by the sanctioning authority, on case to case basis, so that overall DER at 2:1, for other than MSME or 3:1 for MSME is maintained.
Take out finance – Way for Infrastructure finance sanctioned at CO	➢ Take out financing structure is essentially a mechanism designed to enable banks to avoid asset liability maturity mismatch that may arise out of extending long tenor loans to infrastructure projects. ➢ Under the arrangement, bank financing the infrastructure projects will have an arrangement with any other financial institution for transferring to the latter the outstanding in their books on a pre-determined basis.
Important aspects in road projects including HAM (Hybrid annuity model)	a) Upfront equity of 50% to be brought in by the SPV/promoter for the specific project. b) COLCC-ED & above can permit less than 50% on case to case basis. c) In such instances, Corporate Guarantee /personal Guarantee from the Sponsor/Promoter till the achievement of COD or receipt of 1st annuity from NHAI may be explored. d) Under HAM projects (as per Concession Agreement), Concessionaire is permitted to bring in equity Components by way of convertible instruments, other similar forms (which shall compulsorily converted into equity share capital) or any interest free funds. Subordinated debt/unsecured loan/preferences shares/OCD can be considered as part of promoters' contribution to the extent of maximum 50%(to be confirmed/ certified through CA Certificate / ROC records) e) Repayment of such subordinated debt/unsecured loan/preference shares/OCDs shall not be done during the tenure of proposed debt to banks and an undertaking to this effect is stipulated to be obtained. f) In case of road project, disbursement of loans to road projects to be done only in respect of projects where 80% of entire ROW and Appointed Date have been declared by the Authority. g) In all road project proposals, percentage of NPAs in the sector to be mentioned and risk mitigation details to be furnished.

Who can participate in consortium meeting :

Level of our bank's exposure	**Participation in the meeting by**
Accounts sanctioned up to ZLCC Powers	As Leader Bank: Participation in the

	consortium meeting by Zonal Manager (in case it is not possible then their deputy (Not less than Assistant General Manager)) along with the Branch officials, may be ensured As Member Bank: Deputy Zonal Manager along with the Branch Manager
Accounts sanctioned under FGM / CO Powers	As Leader Bank: Participation in the consortium meeting by GM/ DGM/AGM concerned from Corporate Office / FGMO is desirable, apart from officials from ZO and Branch. As Member Bank: Zonal Manager along with the Branch Manager

The officials attending the meeting shall take advantage of the meeting, interact with the fellow bankers, gather critical information about the borrower, gather other market information / industry trends and also use the platform for canvassing new business for the Bank i.e. taking share under the fresh proposals appraised by other banks etc.

The minutes of the consortium meeting has to be shared with CO Credit Monitoring department immediately on receipt of the same.

While sanctioning / renewing credit facilities to groups	Financial statements of consolidated group have also to be analysed and comments on the same to be furnished as provided for in the revised Board Appraisal Format. Group power also to be referred for deciding who has to sanction while sanctioning / renewal of any account of group,
Third Party interference in processing credit proposals	All appraisal notes should contain a clause “No Third party is involved at any stage in the loan sanction process’’. All loan proposals that are submitted to Corporate Office should be accompanied by a Certificate signed by Branch Manager/ Zonal Manager stating that no third party is involved at any stage in the process of loan proposal.
Review/Renewal of Advances	All the borrowal accounts sanctioned under various discretionary powers, shall be reviewed (in case of term loans) / renewed once in a year. 1. For RAPC / MAPC / ZO / FGMO / CO sanctioned accounts, branch should submit the proposal at least three months in advance before the due date to ensure sanction in time. 2. Branch to endeavour achievement of 100% review / renewal of borrowal accounts at all points of time 3. Working Capital Account should be classified as NPA if regular review / renewal is not accorded within 180 days from original regular review / renewal due date, date of NPA should be 181st day from the expiry of regular review / renewal date.

	4. Limit / DP in the working capital account will expire if review / renewal is not accorded on or before the due date of renewal. 5. If, Regular review / renewal of working capital account is not done on or before the due date, short review / operational review of account may be allowed for maximum on TWO occasions, each of maximum 90 days' period. Full review/Renewal should be completed within a maximum period of 180days from the due date of original regular review/renewal. 6. Penal Interest to be charged upto 2% from the due date for renewal till the required documents submitted by the borrower. 7. An SMS, will be sent to registered mobile number of the borrower, one month before the due date of Review / Renewal to borrower as a gentle reminder / enabler. 8. Likewise, an SMS will be sent to registered mobile number of the borrower at least 3 days before expiry of limit (DP become "0") informing there in same and 9. It may be explored to recover the cost of the SMS from the borrower.
Obtaining of Quotes for Short term Loans / Quotes for loans to PSUs etc	In view of the business opportunity and timelines for submission of quotes for Short Term Loans / quotes for loans to PSUs etc., on a case-to-case basis COLCC GM /functional GM can submit quotes for accounts falling up to COLCC (ED). COLCC(ED)/ED can approve quotes for the accounts falling under the powers of CAC. CAC/MD&CEO can approve quotes for the accounts falling under the powers of MC. The request for obtaining quotes should be submitted in the format for adhoc limits.(Credit policy)
Valuation of Properties	***For all non-structured product loans and MSME structured product loans with exposure of Rs 5 crore and above and if the value of each property is Rs 50 lakh and above the valuation should be done by two independent valuers at the time of on boarding***. **For other structured products with exposure of Rs 1 crore and above and if the value of each property is Rs 50 lakh and above the valuation should be done by two independent valuers at the time of on boarding.In case of difference in valuation of assets done by two independent valuers, the lower of the two valuations will be considered.** The immovable properties mortgaged to the Bankshall be revalued at least once in three years and a review of the account will be taken based on the revaluation. In cases where two valuations were required at the time of on boarding, second valuation report should be obtained only if revaluation amount is increased by more than 50% of previous lower value.

	Valuation of immovable properties mortgaged for Home Loans, Mortgage Loans and Reverse Mortgage Loans The immovable properties mortgaged to accounts with *aggregate balance outstanding ofmore than Rs.100 Lakh after three years from thedate of sanction and with asset status as SMA1,SMA2 have to be revalued once in three years. (*aggregate Balance outstanding means balances of Home loan + Home loan plus + OD advantage etc.).
Subordinate Debt / Unsecured loan as quasi equity	➢ Unsecured loan is treated as Quasi equity if the loan is not to be repayable within the tenor of Bank Loan and the loan is interest free OR If a company pays interest on such loan, the rate of interest on such loan should not exceed the rate of interest paid on Bank Loan. ➢ The level of unsecured loans that can be treated as quasi capital (for calculation of net worth) to be restricted to 100% of the Tangible net worth (Excluding Revaluation Reserves). This restriction shall not apply to unsecured loans with perpetual nature or with residual maturity period greater than remaining tenor of bank loan for Ltd Companies / proprietor / Partnership. The unsecured loans can be from promoters, friends and relatives. ➢ The unsecured loan shall not be withdrawn during the pendency of the loan. Under exceptional cases, withdrawal shall be permitted only with the prior consent of the sanctioning authority provided leverage ratios conform to the standard financial norms / stipulated financial covenants. ➢ The interest for unsecured loans should not be paid unless the Interest Coverage Ratio is more than 1.50. Payment of interest on unsecured loans is subservient to the payment of Interest / Installment of our loans. ➢ In case of change in person/constituent, the level of unsecured loan has to be maintained.
Flow of credit to Micro and Small Enterprises	For facilitating timely and adequate credit flow during their ‘ Life Cycle’ of MSEs, Reserve Bank of India (RBI) advised Banks to ensure that their lending policies for MSEs are streamlined and made flexible in order to empower the officials concerned to take quick decisions on credit delivery to MSEs
Industry-wise Exposure Limits on CRE and CME	1. Exposure ceiling for CRE has been fixed at 50% bank’s net-worth as on previous year. 2. Exposure limit for CME has been fixed as 40% of bank’s net-worth as on previous year end provided a) Of which direct investment should not exceed 20% of the Bank’s net worth as on previous year end. b) Of Which Financing of Stock Brokers and market makers

	should not exceed 12% of the Bank's net worth as on previous year end?
Cap/Ceiling on Unhedged Foregn Currency Exposure	Internal ceiling for UFCE is capped at **30%** of Total Foreign Currency Exposure of the Customers (Modification on credit Policy, Section-P)
Exposure Limit for Project Finance	➢ The limit for Project Finance exposure is fixed at 20% of Bank's Total exposure excluding Investment and Derivative exposure, as at end of previous quarter. ➢ Fresh / enhancement Project loans with Sanctioned limit of Rs. 50 Crore and above for infrastructure, non-infrastructure and core industries are considered under this exposure limit.(Credit Policy :374)
Large Exposure Limit	➢ Exposure to Single borrowers or group of connected borrowers equal to or above 10% of Tier I Capital of the Bank as per the last audited balance sheet are classified as Large Exposure. ➢ The sum total of Large Exposures to single borrowers and group of connected borrowers is fixed at 500% of the Tier I Capital funds of the Bank as per the last audited balance sheet. ➢ This Exposure Limit is not deemed as cap on further exposures but is intended for closer monitoring.
Exposure Limit based on constitution of the borrower	➢ Individual/Proprietorship/ Partnership firm/ Trust/Society/HUF/Association of People/Trust: Rs.25Cr. ➢ LLP: Rs.50Cr.
Credit Audit	Credit Audit to be conducted by the Inspector of branches / Chartered Accountants as may be decided by CO. Inspection Department. **Objective of Credit Audit.** a) Improvement in the quality of credit portfolio b) Review sanction process and compliance status of large loans c) Feedback on regulatory compliance d) Independent review of Credit Risk Assessment e) Pick-up early warning signals and suggest remedial measures f) Recommend corrective action to improve credit quality, credit administration and credit skills of staff, etc. **Account to be covered Credit Limit :** ➢ Standard borrowal a/cs with rating of IB-BBB (combined) and above: Rs.5 Crore and above. ➢ Standard borrowal a/cs with rating below IB-BBB(Combined) : Rs.1 Crore and above Coverage under LRM and credit audit shall not be less than 40% and 10% of ~~the standard domestic credit outstanding as on the previous yea~~r end, respectively. It should cover not only the value but also the numbers

	adequately. **Time Limit for Credit Audit**: Credit audit to be commenced within 3 months from the date of rating, below BBB (Combined), for all accounts with exposures of Rs 1.00 Cr and above. For further details on Credit Audit, please refer to Risk Based Internal Audit Policy of Inspection Department (Credit Monitoring Policy)

What is Loan Review Mechanism

LRM is an independent assessment, which evaluates the effectiveness of the loan administration, maintains the integrity of the credit rating process, and portfolio quality etc. It examines compliance with extant sanction and post sanction processes / procedures laid down by the bank from time to time. Such a mechanism provides appropriate checks and balances to ensure that loan portfolio is managed in accordance with the bank's policy. Effective credit review helps to detect weakness in credit assessment since the overall credit assessment process tends to be more diligent when subjected to review.

Objective of Loan review Mechanism:

An appropriate Loan Review Mechanism (LRM) exists within the bank's credit risk management framework with the following primary objectives:

a) To promptly identify loans which develop credit weaknesses and initiate timely corrective action
b) To evaluate portfolio quality and isolate potential problem areas.
c) To monitor adherence to loan policies and procedures and compliance with relevant laws and regulations; and
d) To provide top management with information on credit administration, including credit sanction process, risk evaluation and post sanction monitoring/follow-up.
e) To provide an independent review of credit risk assessment.
f) To initiate steps to preserve desired portfolio quality.

Accounts to be covered under LRM

Coverage of Advances for Fresh / Enhancement / Review & Renewal proposals under LRM

Sanctioned Under the Powers of	Having Exposures of *	Reviewing Authority under LRM
FGMCC / CO	Rs.20 Cr and above	CO LRMC
ZLSCC / ZLCC	Rs.2 Cr to less than Rs.20 Cr	FGMO LRMC
Branch Manager / MAPC / RAPC	Rs.50 lakhs and above	ZO LRMC
All C & D rated accounts Rs.5 Cr and above		CO RMC

Proposals sanctioned under IBHL /IBVL /Educational Loans / LOD / Jewel Loans / Staff Loans are exempted from LRM

Coverage of Advances for Review/Renewal proposals under LRM: All Review/Renewal proposals with limits of Rs.5 Crore and above shall be put under LRM (within 6 months from date of sanction).	
Fair Practices for lenders	RBI guidelines stipulate that a copy of the loan agreement along with a copy of each of all enclosures quoted in the loan agreement should be furnished to the borrower. This aspect is also covered in the Code of Bank's Commitment to Customers -2014, which has been displayed in our website
Legal Entity Identifier for large corporate borrowers	Legal Entity Identifier (LEI) code as a key measure to improve the quality and accuracy of financial data systems for better risk management, post the Global Financial Crisis. LEI is a 20-digit unique code assigned to entities, who are parties to financial transactions worldwide In terms of RBI directions, all borrowers of banks, having total fund based and non-fund based exposure of ₹ 50 crore and above to obtain Legal Entity Identifier (LEI) registration which will be captured in Central Repository of Information of Large Credits(CRILC). This will facilitate assessment of aggregate borrowing by corporate groups, and monitoring the financial profile of an entity/group. This requirement will be implemented in a calibrated, but time-bound manner.
Take over account	➢ Good independent market report should be obtained. ➢ Statement of account of the existing bank for preceding one year is to be obtained and verified to assess the quality of operations with the existing bankers. ➢ Sanction letter of existing banker to be obtained to confirm that the repayment of loan is in order and is as per the sanction terms. ➢ Satisfactory Credit opinion from the existing bank should be obtained as per the revised Credit Information Report where in the revised parameter for Net Means is stipulated before release of facilities. If Credit Opinion of the other bank is not available, Credit Information Report (CIR) obtained from Credit Information Companies (CRIF HIGHMARK, CIBIL, EXPERIAN, EQUIFAX) along with CRILC report should be verified. ➢ Specific reason for shifting to our Bank should be

	ascertained, examined critically and mentioned in the appraisal note. Reasons other than pricing (interest rate) of the product for takeover should be deeply analysed while entertaining / canvassing proposal for takeover.
	➢ Takeover should be subject to technical feasibility and financial viability of the activity. While fixing repayment, economic life of the asset created should be kept in focus.
	➢ Enhancement in working capital is permitted for genuine / need based working capital limits along with takeover, subject to maximum of 30% over the existing limit (FB+NFB) for borrowal accounts where financial parameters are in line with bench mark level, without any deviation in bench mark levels.(**Any deviation in this aspect may be permitted by FGMCAC & above as per their discretionary powers).**
	➢ When taking over term loan without any existing working capital facility, working capital may be sanctioned as per eligibility of the borrower.
	➢ Before disbursement, availability of Drawing power to be scrutinized and ensured.
	➢ Additional Term loan is permitted along with Takeover for capital expenditure like expansion of units, purchase of new plant and machinery etc., Enhancement of term loan for bankable purpose can be sanctioned by ZLCC and above up to discretionary powers in respect of retail products.
	➢ In case of takeover, Accounts should have Standard Asset Classification with the existing banks (Excl. accounts reported SMA-2 during last 1 year except for technical reasons supported with documents). Certificate / credentials to that effect to be verified from the banks. Account should have recorded net profit after tax in the previous year and at least two years out of last 3 years and business conditions to indicate improvement in profitability, unless the account is in operation for less than three years.
	    ➢ For takeover accounts, financial position to be critically analyzed and any abnormal/windfall/one-time items to be excluded for computing PAT in order to determine the eligibility status of the borrower for taking over the facilities from other bank.
	    ➢ The project should not be in the

	implementation phase at the time of takeover of the loan. It should have commenced commercial operation. ➢ While considering take-over of borrowal accounts, all facilities of the borrower (instead of select facilities) should be taken over from the existing banks. ➢ Security: While taking over of facilities from other banks, the security of assets charged for the facilities (Primary, Collateral, Personal / Corporate Guarantee) will continue as security to our Bank. ➢ Security Coverage: The proportion of security coverage for the liabilities proposed to be taken over should be in accordance with terms of our Bank's policies / based on the exposure and commercial judgment in all applicable cases. ➢ Liquidation of liabilities: In respect of take-over of standard accounts, we may consider liquidation of liabilities of loan from FIs / banks, provided those liabilities were / are in order. ➢ Repayment Terms: Repayment terms are same as per existing loan taken over from other banks / financial institutions. I.e. no extension from the original repayment. ➢ Rating Parameters: Mentioned in the Credit Risk Management Policy of the Bank. (Rating criterion for takeover of accounts). ➢ Compliance of Standard financial benchmarks as applicable under Loan Policy. ➢ Accounts should have Standard Asset Classification for the last two years with the existing banks. Certificate / credentials to that effect to be verified from the banks. ➢ **Takeover should not be considered under following condition, unless any relaxation is permitted by MC/CAC** ▪ Accounts which have been restructured

	▪ OTS settled accounts with other banks irrespective of nature of the facility ▪ Parties appearing in the Defaulters' List of RBI /CIBIL (or) ECGC's Specific Approval List (SAL), RBI Caution List ▪ Any of the Group/Associate account is NPA (non suit filed), ▪ Borrowers and their group accounts under suit filed category ▪ For liquidating liabilities with private money lenders / multani bankers. ▪ Advances restricted by our Bank's Loan / Credit Risk Management Policy ➢ Takeover of borrowal accounts where financing is made by other banks for purchasing of second hand wind mills or other assets is permitted. ➢ Delegated Powers for sanction under Takeover as per Discretionary power Booklet. ➢ The proposals for takeover of borrowal accounts that have frequently changed Banks should be discouraged. IBD, FBN/FBP limits to the extent of proceeds which are awaited, ODEB (Overdraft against export bill), OD against Supply bills facility will not be taken over, as these facilities are self-liquidating. ➢ Packing credit availed against LC or against which bills have been raised. ➢ Generally, Agriculture land is not accepted as security unless the loan is taken for agriculture activity or where the agriculture land is already taken as security in the existing Bank. ➢ Branch to ensure CGTSME cover for eligible accounts after take over. ➢ In respect of takeover for Loans granted under GECLS, FAQ ported by NCGTC to be referred. ➢ Transfer of all types of asset insurance (movable/immovable) as well as credit insurance if any from existing Bank to our Bank should be ensured. If this is not feasible, the Bank should arrange cover on its own with due intimation to the borrower.

	➢ Where existing Bank loans are liquidated before 3 months from the date of application submitted to our Bank, such accounts will not be considered as a case of Takeover. However, the specific reasons for liquidation of loan account with earlier bank and again seeking finance from our Bank must be cogent / rational and satisfactory. In these cases, due diligence on following points shall be ensured: a) The existing loan account is closed in normal way. b) The loan accounts are liquidated through own resources, internal accruals and not from borrowed funds from Banks, NBFCs, FI. c) The funds shall be used for normal day to day business and not to repay any borrowings either short term or long term. ***In case of takeover of accounts from any of the banks where our EDs or MD & CEO have worked earlier, for all loans above Rs.25 Crore, MC should be the approving authority. In respect of loans up to Rs.25 Crore, the respective sanctioning authority may consider the proposals, subject to compliance with policy guidelines.*** **Relaxations in takeover:** 1. Relaxation in security - can be considered by the next higher authority, within their respective discretionary powers up to COLCC (GM). 2. Relaxation in financial covenants – 2 parameters by FGMCAC, 4 parameters by COLCC (GM). More than 4 parameters by COLCC(ED) and above. The CAC/MC may permit any other deviations (except to willful defaulted borrower) in individual cases of borrowers. In respect of willful defaulters no facilities by way of fresh sanctions / enhancement of limits should be granted as per RBI directives. **Take over accounts – Other guidelines** 1) All the takeover accounts will be subject to midterm review after six months from the sanction/ first disbursement date and thereafter continued to be reviewed on annual basis to effectively monitor the overall performance. 2) Enhanced monitoring mechanism including Credit Audit to be undertaken.

	3) In case of takeover, the existing repayment tenor (residual maturity) will not be extended 4) For take over under SHG/ Small/ Micro Loans, the operational guidelines as and when required, will be placed before CRMC for approval and be made part of SOP. 5) Takeover of accounts which have been restructured **(except due to COVID**) are not to be considered. 6) Any relaxation in these norms may be permitted by CAC/ MC. 7) Periodic Review of take over accounts at aggregate level to be placed to MCB on half yearly basis. ***Additional guidelines on takeover of export proposal, agricultural proposals & home-loans are separately given in Credit Policy.***

IDO Report / TEV Study report for manufacturing companies and other projects	**a) <u>For credit proposals up to Rs 25.00 cr.</u>** ➢ For credit proposals up to Rs 25 cr, no separate viability report (TEV) from an outside agency need be insisted upon. The viability can be assessed based on the project report / credentials submitted by the applicant apart from the due diligence / market report etc. Credit Proposals of Rs 10 cr to Rs 25 cr - technical viability report by an IDO/ an Official with engineering background to be submitted. ➢ In case of exposure below Rs 25.00 cr. respective sanctioning authority may also refer for an independent TEV study on case to case basis. ➢ Credit proposals beyond Rs. 25 crores (fresh/addition/Expansions) should be accompanied by TEV study from an outside agency. However, TEV study from an outside agency may not be insisted in case of expansion/up gradation/modernization of existing unit where the borrowers have gained adequate in-house experience / expertise and in case of infrastructure (Road) projects under HAM (Hybrid Annuity Model) provided project study has been done by NHAI. ➢ There may be exceptions for obtention of TEV in case of brown field projects (where the borrower is going for expansion of its unit at the same site using basic infrastructure of the existing plant only), where the promoters / the flag ship company have successfully implemented at least one such project in the past and/or are in the similar line of activity for more than five years. In such cases an In-house project report may be accepted. ➢ In case of Infrastructure projects where exposure is large, joint appraisal is to be taken up with other / lead bank or broadly the appraisal report of lead financial institution may be accepted to avoid multiple appraisal and delay. However, it will be ensured that major policy guidelines as stipulated by RBI/ our Bank are being taken care of while undertaking proposals at our end. ➢ The Bank may also proceed on the basis of the findings of reputed loan syndicators. In such cases, information as to who prepared the Project Report/TEV Report and who appraised the project should be obtained and kept on record. ➢ Techno Economic Viability from approved external agencies may be waived in case of builders & developers, who have already completed at least three projects and is in the business for last five years. ➢ TEV report of reputed agencies approved by other Large PSBs/Peer PSBs/Large Private Sector Banks/Consortium Leader may be accepted by FGMCAC and above, with proper justification. However, the appraising officials should exercise due diligence in this regard. ➢ In all project finance loans where implementation of project

	would be in phases, the Appraisal note and sanction letter will invariably incorporate Project implementation schedule, drawdown schedule, Commercial operation Date (COD), Moratorium if any and Month of commencement of first installment towards repayment of term loan.

NBG Clearance

For Fresh Connections:

1. For proposals with External Rating BBB & above separate approval through NBG is not required.
2. NBG approval for Externally BB & above rated MSME/ Agri borrower is not required under following cases:
   2. i) The applicant is having CMR score in the range of 1-4.
   2. ii) In case of CMR -5, exposure is collaterally secured by 100%.
3. NBG approval is not required for MSME/ Agri borrower with exposure of Rs 10 Cr & above and less than Rs 25 Crore fulfilling the criteria 2.i) & 2.ii) .
4. In all other cases, approval of various other NBG committees for exposure of Rs 10 Cr & above is required as under:

Criteria	Sanctioning Authority	NBG approving Committee
1. External Rating BB & Below (-in applicable cases)* 2. Unrated (For accounts eligible for External rating)** 3. Exposure falling under Stress Sectors (Sectors identified by RMD on quarterly basis and updated on RMD helpdesk. Sub sectors as exempted from stress sector shall be excluded)	Up to COLCC-GM	COLCC-ED
	COLCC- ED & above	Respective Sanctioning Authority $

$CAC will be competent authority for MC proposals

** Excluding-
1. PSUs &
2. Exposures to be taken in unrated SPVs where promoter/ sponsor company is externally rated as A & above

"For Existing account:

For enhancement proposals in all existing accounts with rating (Internal and External (wherever applicable in terms of policy guidelines) above investment grade (BBB & above) & MSME / Agri Borrower (Internal Rating – IB BBB and having External rating BB & above - in applicable cases) NBG approval is not required"

In all other cases, NBG Requirement of existing accounts with below investment grade rating for enhancement of Rs 10 Cr & above will be as under:

Criteria	Sanctioning Authority	NBG approving Committee
Internal or External Rating BB & Below (in applicable cases)	Up to COLCC-GM	COLCC-ED
	COLCC- ED & above	Respective Sanctioning Authority $

$CAC will be competent authority for MC proposals: NBG approval for fresh as well as existing connection for exposure under LRD (IB Rental Scheme with ring fencing of rental cash flows) falling under CO level Committees (COLCCGM & above) is not required. Remaining guidelines will remain as it is as mentioned in Credit Policy.	
External rating	At present six Credit Rating Agencies namely CARE, CRISIL, India Ratings and Research Private Limited (India Ratings), ICRA, SMERA (ACUITE) and INFOMERICS are accredited by RBI for the purpose of risk weighting the Bank's claims for capital adequacy purposes. • External rating from any one of the accredited agencies should be obtained for all exposures as below: CRE, MSME(Including rice mills and agro processing units which are registered under MSME Act): Rs. 25 crore and above, others: Rs 10 crore and above. LRD loans sanctioned to corporate borrowers: Rs 50 Crore and above. (In case External rating for the company is not available, only Facility rating from External Rating Agency may be explored). • No fresh exposure eligible for external rating as per Banks existing policy is permitted without external rating except project loans. In case of borrowers without external rating, the Bank has to insist on the external rating at the time of sanction. In the case of project loans the external rating has to be obtained within 3 months from the date of achievement of COD. • Additional interest of 1.00% to be charged for eligible accounts which are not externally rated, till obtention of rating or closure of loan whichever is earlier from the deadline for getting externally rated. • Waiver of external rating/extension of time for external rating/waiver of additional interest rate of 1.00% for proposals falling under the powers up to FGMCAC are to be considered only by the FGMCAC and by the respective sanctioning authorities for the proposals falling under the powers of COLCC (GM) and above. • External rating for the Maharatna, Navaratna, Miniratna companies, proposals fully guaranteed by Central/ State Government, proposals covered with full financial collateral securities may not be insisted upon.

What is the exposure norms for Single borrower, Group borrower and NBFCs		
	Single Borrower(Excluding Gold loan companies)	20% of Tier 1 capital
	Group of connected counterparties (Excluding Gold loan companies)	25% of Tier 1 capital
	Single NBFC having Gold loan up-to 50% or more of its total financial asset.	7.5%
	Single NBFC having Gold loan up-to 50% or more of its total financial asset and if the additional exposure is on account of funds onlent to infrastructure sector	12.50%
	In exceptional circumstances, additional exposure to a borrower (single counterpart) up-to 5% of Tier-1 capital may be allowed in specific cases and may be sanctioned at MCB level only.	

<table>
<tr>
<td>Entry Barrier for financing</td>
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<tr><th>Segment</th><th>Entry Barrier</th></tr>
<tr><td>NBFC, HFC and NBFC-MFI</td><td>Combined internal rating IB A(Based on RAM)and external rating A/A2 (+ /-)</td></tr>
<tr><td>MFI</td><td>Combined internal rating IB BBB (Based on RAM) and
external rating mfR3</td></tr>
<tr><td>Unsecured loans of Rs 5 crore and above</td><td>Combined internal rating IB A (Based on RAM)</td></tr>
<tr><td>Exposure where Project rating is applicable</td><td>Combined internal rating IB BBB (Based on RAM) andProject rating P3 (Based on RAM)</td></tr>
<tr><td>Exposure where Scoring Model is applicable</td><td>Internal rating BBB (Based on Scoring Model) and CIBIL Score of 700 or Experian/Equifax/CRIF Highmark Score of 650</td></tr>
<tr><td>Short Term Loans</td><td>External rating of AA (+ or -)/A1</td></tr>
<tr><td>All others</td><td>Combined internal rating IB BBB (Based on RAM)</td></tr>
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<td>What if NBFC –MFI</td>
<td>A separate category of NBFC has been created viz; Non-Banking Financial Company-Micro Finance Institution (NBFC-MFI). An NBFC-MFI is defined as a non-deposit taking NBFC (other than a company licensed under section 25 of the Indian Companies Act, 1956), that fulfils the following conditions

NBFC – MFI shall comply with guidelines pertaining to NBFC Minimum Net owned funds of Rs.5.00 Crore (For NBFC-MFIs registered in the North Eastern Region of the country, minimum NOF requirement shall stand at Rs.2.00 Crore).
Not less than 85% of its net assets are in the nature of “qualifying assets”.
The credit proposals from MFIs for on-lending to individuals also shall conform to policy guidelines on MFI financing.
The company should follow ICAI guidelines on standard accounting procedure.
The company should comply with the regulations prescribed by RBI. Current ratio should not be less than 1.33. However a lower ratio may be accepted considering the risk profile of the borrower.
The leasing / hire purchase / loan receivables over dues must not be more than 5%.
In the case of an existing company, non-performing assets must not be more than 5% of its Leasing & Hire Purchase / loan assets except when a credit assessment provides mitigants.
Company must have been prompt in repaying maturing deposits, where applicable.
Only on-lending made for creation of physical assets supporting productive/ economic activity will be considered for computation of

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	• MPBF, without adjusting the projected NWC, for supporting other activities of the NBFC. • Credit facilities may be granted by way of cash credit and Term loan only. • In respect of existing borrowers not complying with the above guidelines, enhancement in credit facilities will not be considered in general. The possibility of exiting such accounts in terms of the Bank's extant exit policy on standard assets will be explored, where felt necessary and found feasible. • As Govt. owned NBFCs are also being brought under the ambit of RBI regulations, Bank's guidelines on NBFC will be made applicable to such entities also. • Bank will continue to extend finance to NBFCs against the second hand sets financed by them subject to the stipulations laid down in this regard. • For NBFC-MFI having FB and NFB exposure of Rs 10 crore and above, the internal and external sources of funds to meet the company's requirements should be evaluated. The liquidity risk should also be evaluated by examining the assets liabilities maturity profile, collection efficiency, deposit renewal rates and proportion of liquid assets to total assets. • The credit proposals from NBFC-MFIs for on-lending to individuals also shall confirm to policy guidelines on MFI financing.

List some of the performance standard for NBFC(MFI)	• **Operational self-sufficiency (OSS)** measures the ability of the MFI to meet all its direct costs from the income it generates through its financial operations. Bench Mark level: At least 100% • **Operating Cost Ratio (OCR)** is an efficiency indicator for an MFI relating to the costs incurred by the MFI for its lending operations to its average outstanding portfolio. Bench Mark level: Not more than 20% • **Total Cost Ratio (TCR)** is an efficiency indicator measuring the total costs incurred by the MFI to keep a rupee loaned out to its members for the period. Bench Mark level: Not more than 30% • **Portfolio at Risk (PAR)** indicates the outstanding amount of all loans that have one or more instalments of Principal due for 30 days and above. Bench Mark level: Not more than 7.50% . • **On Time Repayment Rate (OTR)** indicates the overall recovery performance of an MFI. Bench Mark level: Not less than 95%. • • **Total outside Liability/Tangible Net-worth Ratio** indicates the level of dependence on outside borrowings of MFI. The ceiling on Bank credit linked to NOF of NBFCs, which are statutorily registered with RBI, and are engaged in principal business of hire purchase etc. has been withdrawn by RBI and full operational freedom has been bestowed to the Banks in the matter of credit dispensation. However, Bank would continue to stipulate norm of TOL: TNW of 10, to bring in discipline for maintenance of capital adequacy norms by the assisted NBFCs. • **Equity to Fixed Assets** Should not be more than 1 for “For Profit MFIs” (not insisted for “Not for Profit MFIs”).

(NBFCs) and Housing Finance Companies (HFCs)	➢ External Rating as per CRM policy of the Bank ➢ Shall have a minimum capital adequacy ratio of 15%. ➢ Total borrowings shall not exceed 10 times of Net Owned Fund. ➢ Total outside Liabilities shall not exceed 12 times of Net Owned Fund. ➢ NIM should not be less than 2.50%. ➢ Net NPA should be as under • NBFC (Vehicle Finance):4.00% • NBFC(Gold Fin):1.50% • NBFC(Other): 2.50% • HFC:3.00 • MFI:3.00% ➢ The portfolio at risk(PAR>30 days including NPA) should be maximum as under: • NBFC (Vehicle Finance):12.00% • NBFC(Gold Fin):6.50% • NBFC(Other): 10.50% • HFC:8.50% • MFI:7.50% ➢ The minimum return on Assets(ROA) should be as • NBFC (Vehicle Finance):1.25% • NBFC(Gold Fin):4.50% • NBFC(Other): 1.50% • HFC:1.50% • MFI:1.00% ➢ The NIM should not be less than 2.50% ➢ Volatile Liabilities* / Total Assets should not be more than 60%. Volatile Liabilities are Deposits up to 1 year + borrowings up to 1 year) ➢ Net NPA/ANW(%) should be less than 20%. ➢ Security Coverage should be minimum 1.10. ➢ Minimum Interest coverage ratio should be 1.50 for fresh proposal and 1.25 for review/renewal proposal ➢ PAT should be positive in last 3 years ➢ The internal and external sources of funds to meet the company's requirements should be evaluated. The liquidity risk should be evaluated by examining the assets liabilities maturity (ALM) profile, collection efficiency, deposit renewal rates and proportion of liquid assets to total assets. The detailed guidelines are mentioned in Loan Policy 2022-23(Page No;84 onwards)

Guidelines on Reimbursement of term loan

Wherever reimbursement of term loan is requested, such reimbursement can be considered on case to case basis by the respective sanctioning authorities subject to the following:

- Required margin should be brought in first.
- Amount of reimbursement shall not exceed 50% of the eligible amount after bringing in stipulated margin.
- The amount claimed for reimbursement should have been spent within 6 months prior to date of request.
- Reimbursement for purchase of land and development of land is not permitted.
- Reimbursement of TL as per the above guidelines to be considered by Central Processing Centre (RAMPC/ MSME CPU/IRPC), ZLCC and above up to their discretionary powers.
- Any deviation on the above to be considered one authority higher than the sanctioning authority for accounts up to the powers of COLCC (GM).
- Bank shall stipulate appropriate conditions to ensure creation of assets, verification and end use of funds along with documentary proof such as LIE report, CA certificate, Chartered Engineer Certificate etc. followed by Inspection by Bank officials / independent outside agency as may deem fit.

Open Term Loan:

As per extant guidelines of the Bank, Term Loans are generally sanctioned to the customers when they firm up their capex requirements in advance and submit the details of capex supported by cost documents (Quotation/Invoice, etc). However, many a times, our customers who undertake capital investment in their existing units, such as new equipments/machineries, replacement of existing machinery, balancing equipment, de-bottlenecking/ up gradation of existing machinery, purchase of software/hardware etc. on an ongoing basis depending on the orders to be executed, some exigencies, etc., cannot provide specific details of Capex at the beginning of the year / during annual review of the account. Such customers may require an additional line of credit/ specific facility among others to meet their credit requirement in time to procure / create the assets without delay. In order to meet such urgent requirements of customers as well as to prevent our existing clients from approaching to NBFCs/ Private Sector Banks for such financial assistance

OTL facility will enable the customer to puruse for need based investment in fixed assets by utilizing the pre-approved Bank finance with flexibility to select the items of fixed assets at a later stage based on their business requirements. It will also enable the borrowers to negotiate with the suppliers with confidence of availability of credit line in advance. It will further assist in better planning of their expansion, repairs or replacements with flexibility in availvment of loan.

Objective of OTL: Open Term Loan objective is to enable the existing units financed by our Bank/other Banks financial arrangement / closure for meeting capex related to expansion/ modernization of their existing business urgent expenses.

Target Customers - Corporate/ Mid Corporate/ MSME/ **Agriculture (Investment Credit)** borrowers (including Food processing Units) [Capital intensive units across Industries with preference to less Carbon emitting sectors or sectors forming part of **Green Portfolio** (Renewable energy, ethanol etc) should be targeted.]

External Rating - Account should be rated as BBB & above in case of External Rating, wherever applicable
For MSME/ Agriculture (Investment Credit) Borrowers - Account **externally rated as BB & above** (wherever External Rating is applicable) may be considered for OTL provided **Internal Valid Rating (combined) should be minimum IB BBB on latest available ABS and OTL exposure is fully covered by collateral security.**

Eligible Customers -

A. Existing units financed by our Bank:

- Units should be incorporated/ functional as a business-entity for a minimum period of 2 years. Satisfactory track record without any default in the past (not reported SMA-01 during last one year & SMA-02 during last 2 years)
- Profit generating unit for at least last one year.

B. Existing units financed by other Banks (In case of Take-over)

- Units should be incorporated/ functional as a business-entity for a minimum period of 3 years.
- The account should be a Standard asset in the books of existing lender (not reported SMA-01 during last one year & SMA-02 during last 2 years)
- Account should not have been re-phased/ re-structured by the existing FI/Bank during last three years.
- The unit should have a track record of uninterrupted net profit during last 2 years.
- OTL facility will be reckoned with in generally acceptable additional exposure in case of takeover

PURPOSE OF OPEN TERM LOAN

1) For construction of building required by the borrower for expansion/ modernization of existing activities.
2) The activity undertaken can be manufacturing/ processing, service sector or trading which needs investments in fixed assets.
3) For purchases of new equipments/machinery including Jigs, fixtures, energy saving equipment's , generators etc. addition or replacement of existing machinery, balancing equipment , debottlenecking, up gradation of existing machinery , purchase of software/hardware and any other capital expenditure/fixed assets relevant to the business to be financed.
4) Loan can also be allowed against old/second-hand machinery/equipment subject to the condition that the minimum residual life of the asset is 7 years. The maximum repayment period for such loan will be 5 years. In respect of old/second- hand machinery, a certificate from a chartered engineer shall be obtained regarding its value and the residual life.
5) House Building Loan/ Car/ Commercial Vehicle to Corporate Entity.
6) Proposed expenses under OTL should be any planned / unplanned expenses related to activity of the company/firm, leading to asset creation and complying with overall objective of Credit Policy of the Bank

Quantum

- Upto 20% of TL or CC (whichever is higher) with our Bank

- Minimum: Rs 1 lac and
- Maximum: Rs 5 Cr (at filed level, upto FGMCAC) (Sanctioning Authority- MCB & LCB Head, MAPC, ZLCC and FGMCAC)
- At CO level, COLCC-GM & above, higher amount of need based : OTL can be considered subject to ceiling of 20% of TL or CC (whichever is higher) or Rs 50 Cr (maximum).
  Note :- NFB limit not to be considered for arriving at eligible limit of OTL.
- For Construction Contractors: Eligible amount of OTL for Construction Contractors to be computed as 20% of WC (FB+50% of NFB) limit with our Bank for borrowers Externally rated as BBB & above, as per scheme.

Security:

Primary Security for OTL : Charge on the assets created / to be created out of OTL. Sanctioning Authority shall endeavor, wherever feasible and possible, extension of charge on existing assets/ security (including collateral) of the unit being financed.

Personal Guarantee to be explored unless it is specifically waived by the Sanctioning Authority for OTL and /or the main TL/CC limit.

In Sole Banking : Exclusive Charge on the assets created / to be created.

Under Consortium Arrangement : Sanctioning Authority shall endeavour / explore to have exclusive charge on the specific / identified assets to be created out of OTL. However, where exclusive charge is not feasible / practicable, Sanctioning Authority, on case to case basis, may permit charge on assets on pari passu basis by obtaining NOC/approval of consortium member banks /recording in consortium minutes (to be subsequently covered in next joint documentation).

Security Documents shall be legally vetted and ROC charge will be registered to protect the interest of the Bank.

MARGIN:

Normally-25%.
However it can vary based on applicability in terms of extant guidelines for specific category of borrowers/ Specific schemes (Home Loan, Car Loan etc) but not below 10%

PERIOD/DURATION OF OTL:

Facility in shape of Term Loan (with capex LC as sub limit, wherever required), with a maximum tenor of 7 years for business purpose loan.The CAC & above can extend the term beyond 7 years on case to case basis based on actual requirement.
In case of Retail term loans (Housing Loan, Car Loan etc) scheme related guidelines to be followed.

Terms of Repayment:

- Moratorium (1-6 months as per prudent judgment).
- Repayment to be fixed monthly or quarterly based on cash flows.
- DSCR calculations should support proposed repayment of loan.
- Interest:To be paid as and when due.

Other term and conditions may be perused from Circular ADV-30 dated 28.04.2022 and ADV-511dated 20.05.2022

Post Sanction

Branch level: Branch Managers / Officers in charge of credit should conduct periodical post sanction inspection and record their observations in the visit report.

Category	Exposure	ZO/Officials conduct visit	Periodicity
A	Rs 25 cr & above	FGM	Yearly
B	Rs 10 cr to 25 Cr	ZM	Yearly
C	Rs 5 Cr to 10 cr	DZM	Yearly
D	Rs 2 cr to Rs 5 cr	Chief Manager at Zonal Office (Including Branch sanctions)	Yearly

Branch executive /officials should accompany to FZM/ZO during visit. During unit inspections, large book debts at random should be cross checked with the invoices.

Due Diligence

Due diligence on all Entities/Promoters/Partners/ Trustees/ Directors/Guarantors needs to be carried out with a view to being satisfied about their credentials, and for ensuring compliance with the guidelines on KYC and AML under Prevention of Money Laundering Act.

Due diligence particularly in relation to promoters and management should reckon/cover aspects like experience, professionalism, integrity, vision, track record of meeting commitments to lenders, industry experience, history of strategic initiatives, governance practices and record of adherence to covenants.

Assessment of the profile of the borrower:

A Comprehensive assessment of the profile of the borrower has to be made on the following aspects while appraising the credit needs of the borrower:

a. Purpose / need for credit,

b. Types of facilities required,

c. Due diligence on the Borrower(s) /Guarantor(s)/Group(s)

d. Borrower’s business expertise, status of his economic activity,

e. Current risk profile and its sensitivity to changes,

f. Internal Credit rating,

g. External credit rating, wherever applicable,

h. Track record of repayment / cash flow projections for capacity to repay,

i. Legal capacity to assume the liability,

j. Adequacy and enforceability of the tangible securities / guarantees under various Scenarios.

k. Verification of PAN Card details

l. Verification of DIN/Father's name

m. Verification of Detect report from CRIF Highmark / CIBIL / Experian / Equifax

n. Market information on Promoter(s)/company/firm/group companies / partners

o. Verification of CRILC

p. Verification of Central Fraud Registry in respect of accounts with exposure of Rs 1 Lacs and above

Check List for Verification

While entertaining proposals, it is to be verified whether the names of the borrower / Directors / Promoters find place in:

- RBI Defaulters List – Non-suit filed
- RBI Willful Defaulters List – Non-suit filed
- RBI Caution list circular issued from time to time
- OTS List
- CIBIL: Suit Filed account of Rs.1.00 crore and above
- CIBIL Willful defaulters list of Rs.25.00 lakh and above
- CIBIL: Suit Filed account of below Rs.1.00 crore (updated on daily basis)
- CIBIL Willful defaulters list of below Rs.25.00 lakh (updated on daily basis)
- ECGC – SAL
- CIBIL Detect
- CERSAI Registration
- CRILC
- Banned List of Promoters of SEBI
- List of Disqualified Directors available in the website of Ministry of Company affairs (MCA)
- Central Fraud Registry in respect of accounts with exposure of Rs 1 lakh and above.

If name is found reported, the reason for such inclusion must be discreetly studied/clarified from the reporting bank/financial institution directly. The details of the Lists verified shall be recorded /reported in the proposal. Due Diligence in Credit Proposals – circular no. ADV- 130/2020-21 dated 21.09.2020 issued by CO: RMD should be referred

<u>Accessing of Consumer Credit Information from CRIF Highmark / CIBIL / Experian/ Equifax Data Base</u>

The name of Credit Information Companies are CRIF HIGHMARK, CIBIL, EXPERIAN and EQUIFAX

<u>FOR CORPORATE BORROWERS</u>

- One CIR for loan of equal to more than 50 lacs less than 5 crore
- Two CIR for equal to or above 5 crore.
- CIR of Directors /Partners/etc to be extracted.

Personal guarantee of promoters to be endeavoured while taking fresh exposure which is below investment grade. In case of companies, whether private or public which are under professional management, guarantees may not be insisted upon from persons who are connected with the management solely by virtue of their professional/technical qualifications and not consequent upon any significant shareholding in the company concerned.

The appraisal shall evaluate the key risk indicators of the relevant industry in which the borrower is engaged.

In all credit proposals, the details of inspection of securities, observation, follow up action taken and compliance of Terms & Conditions of the sanction to be incorporated. In case of Export advances, adverse features noticed shall be informed to ECGC along with the action taken thereon, under reference of ECIB cover.

--Passport details of Directors/Guarantors/Promoters for advances of Rs 5 crore and above to be captured.

--In case of unsecured loans of Rs 5 crore and above (where total value of primary as well as collateral security is less than 10% of loan amount), guarantees may be insisted from major shareholders having stake of 5% or more, irrespective of being in management or not. Administrative clearance for relaxation to this can be permitted by next higher authority for proposals falling upto COLCC(GM) Power. COLCC(ED) and above can permit this relaxation falling under their respective sanctioning powers.

Director Identification Number and RBI Regulatory Requirement:

Defaulters list: Many a time, the names of the Directors of various firms / companies are similar. It is therefore, necessary to ensure that directors are correctly identified and in no case, names appearing to be similar to the names of the Directors are appearing in the list of Wilful defaulters / defaulting borrowers, is wrongfully denied credit facilities on such grounds. To avoid such situations, it has been decided by RBI that Director Identification Number (DIN) should be included as one of the fields in the data submitted by Banks to Credit information companies / RBI.

As per RBI Circular letter DBOD.NO.CID.40/20.16.046/2010-11 dated 21/09/10, it is a regulatory requirement to incorporate the Director Identification Number (DIN) in all Defaulters / Wilful Defaulters list wef 31/12/10. Hence, branches to obtain the DIN at the time of opening of accounts in respect of all the Limited companies. At the time of entertaining credit proposals, the DIN number to be mentioned for all the Directors in the Credit appraisal format. Wherever the name of the Director is appearing in the defaulters list, the same should be counter checked necessarily with DIN number of the Director.

Directions of DFS for obtaining GSTIN while extending credit facilities

The Bank shall adopt the directions of Department of Financial Services (Ref. DFS/MOF/GOI letter No.F.16/96/2018-Vig dated 23/04/2019). All branches to ensure strict compliance of obtaining TIN/GSTIN in all eligible cases while considering credit facilities.

Furnishing of Registration Number and Complete address by Practicing Company Secretary/ Chartered Accountant(CA)/Stock Auditors-Verification of address of CA through website of ICAI: Wherever certificates from the Company Secretary / CA/ Cost Accountant/Stock Auditors are submitted, the Institute registration number and full address should be obtained. Wherever Certificates from CAs are obtained, the same need to be verified as to their genuineness. Genuineness of Audited Balance Sheet/Any other document certified by a CA to be established through verification of UDIN from Unique Document Identification Number Portal introduced by Institute of Chartered Accountants of India (ICAI)

Further ROC site is also to be verified in all the cases where the filings by the borrowers is mandatory and record of such verifications shall be kept on the records.

Wherever the financials certified by CAs are found to be fudged, procedural guidelines of the Bank for reporting their names as third party entities involved in frauds, to IBA (through CO/Inspection Department) should be complied with.

Role of third party intermediaries (Department of Financial Services, Ministry of Finance have sent actionable points emerged out of the conference of CVO's of PSBs, FIs and PSICs held on 02/11/2011 at New Delhi) : In the light of the guidelines issued by DFS, MOF, wherever there is a contract with intermediaries while entrusting the job of Stock Audit, Concurrent Audit, Legal Audit, Legal opinion, Engineer's valuation, CA Certificates etc, a condition to be incorporated that "I/We certify that this certificate is issued after verifying the necessary details and I / we are aware that giving false certificate is a criminal act and is a punishable offence". The condition is to be incorporated in all letters issued while appointing Advocates, Valuers, Chartered Accountants for Legal Audit, Stock Audit, Legal opinion, Engineer Valuation etc and also for getting all Chartered Accountant certificates.

Third Party interference in Loan Processing: All appraisal notes should contain a clause "No Third party is involved at any stage in the loan sanction process''.

All loan proposals that are submitted to Corporate Office should be accompanied by a Certificate signed by Branch Manager/Zonal Manager stating that no third party is involved at any stage in the process of loan proposal. Circular ADV-183/2015-16 dated 19.12.2015

Borrowers who have availed CC/OD facilities from the Bank (less than 5 crore)

If Aggregate Exposure from the Banking System is less than 5 Crore	• Any Bank can open the current with and undertaking from the borrower.
What is in undertaking	• Borrower shall inform the Bank when the credit facilities availed by them from the Banking system becomes 5.00crores or more

Opening of Current Accounts by Branches - Need for Discipline (RBI/2022-23/27 DOR.CRE.REC.23/21.08.008/2022-23 April 19, 2022)

Borrowers who have availed CC/OD facilities rom the Bank (5 crore and more)

If Aggregate Exposure from the Banking System is 5 Crore and more	• Borrower can open current account with any one the Bank having CC/OD facility provided that the Bank has at-least 10% of the aggregate exposure. IN case no Bank has 10% exposure then the Bank which has highest exposure.
What about other Lenders	• Other lending Banks may open only collection accounts subject to the condition that funds deposited in such account will be remitted within 2 working days of receiving such funds.
Any other condition for other Lenders apart from above	• Balance in such Col Acts shall not be used for repayment of any credit facility provided by that Bank and also the balance shall not be used as collateral/margin for availing any fund or non fund based credit facilities.
What about Non Lenders	• Non Lending Banks can not open Current Accounts

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Borrowers who have not availed CC/OD facilities but availed other facilities from the Banking System(Less than 5Crore).

If Aggregate Exposure from the Banking System is less than 5 Crore	• Any Bank can open the current with an undertaking from the borrower.
What is in undertaking	• Borrower shall inform the Bank when the credit facilities availed by them from the Banking system becomes 5.00crores or more

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Borrowers who have not availed CC/OD facilities but availed other facilities from the Banking System(5 crore to less than 50crore).

If Aggregate Exposure from the Banking System is 5 Crore and more and less than 50 crore	• Any lending Bank may open the current Account.
What about Non Lenders	• Non lending Banks may open only collection accounts subject to the condition that funds deposited in such account will be remitted as pre frequency agreed between the Bank and the Borrowers within 2 working days of receiving such funds. Balance in such CoI Acts shall not be used for repayment of any credit facility provided by that Bank and also the balance shall not be used as collateral/margin for availing any fund or non fund based credit facilities. No prohibition on credits (no or amount), however debits will be allowed to remit to the lending Banks.

Borrowers who have not availed CC/OD facilities but availed other facilities from the Banking System(50crore and above).

If Aggregate Exposure from the Banking System is 50 crore and above	• Borrower will choose any lending Bank for escrow mechanism. All lending Banks will be part of the escrow mechanism with terms and conditions as may be mutually decided by the lending Bank and the borrower. Current Account will be opened by the escrow managing Bank only.
What about other Lenders	• Other lending Banks may open only collection accounts subject to the condition that funds deposited in such account will be remitted as pre frequency agreed between the Bank and the Borrowers within 2 working days of receiving such funds. Balance in such CoI Acts shall not be used for repayment of any credit facility provided by that Bank and also the balance shall not be used as collateral/margin for availing any fund or non fund based credit facilities. No prohibition on credits (no or amount), however debits will be only allowed to remit to the escrow account.
What about Non Lenders	• Non Lending Banks shall not open any current/collection account for such borrowers.

EXEMPTION TO ABOVE FOR BORROWERS WITH BORROWERS WITH EXPOSURE LESS THAN 5.0CRORE FROM BANKING SYSTEM(SCBs + Payment Bnks)

Banks are free to open Current Accounts without any of the restrictions placed in this circular for borrowers having Credit facilities only from NBFCs,FIs,Co-operative Banks/Non Bank Institutions etc. However , if such borrowers avail aggregate credit facilities of Rs5.0crore or above from the Banking System(all Scheduled Commercial Banks and all Payment Banks), the foregoing guidelines of the circular as per aggregate exposure shall be applicable.

Opening of Trust and Retention Account (TRA) for Consortium/MBAs

To improve the credit discipline in opening of Trust and Retention Account (TRA) it has been made mandatory for lending under Consortium / Multiple Banking Arrangement to control diversion of funds by the delinquent borrowers.

TRA mechanism has been a common feature in financing of infrastructure projects. It seeks to protect the project lenders against the credit risk (the risk of debt service default) by insulating the cash flows of the project company. This is done through shifting the control over future cash flows from the hands of the borrowers (Project Company) to an independent agent, called TRA agent, duly mandated by the lenders.

The infrastructure projects are executed through a separate company created for the purpose (called 'Special Purpose Vehicle' - SPV) and the shares of the SPV would normally be held, among others, by the sponsors of the project. The cash flows of the SPV (Project Company) are subjected to a TRA arrangement. Under this arrangement, the lenders, the borrower and the TRA agent enter into a tri-partite agreement, which provides for all revenues of the project to be directed into a single account, maintained with the designated TRA agent. The lenders, in consultation with the borrower, draw up a detailed mandate for the TRA agent as to periodic transfer and utilisation of funds available in the TRA. The mandate basically spells out the manner and purpose of various payments including the debt service to the lenders. The payment to the lenders is to be made directly by the TRA agent, as per its mandate, without any intervention by the borrower. For operational convenience, the TRA could be sub-divided into several sub-TRAs dedicated to separate heads of expenses / purposes. In case of multi-currency cash flows, there could also be separate TRAs with the same agent or different TRA agents for handling the cash flows in various currencies. Thus, the TRA agent acts as a trustee on behalf of the lenders and ensures that the cash flows are accessible to the borrower / Project

Company, strictly as per the mandate. Thus, the TRA mechanism could be viewed as a sophisticated version of the traditional 'No Lien' accounts, on which the concerned bank could not exercise its right of general lien.

A Trust and Retention Account mechanism needs to be distinguished from an Escrow Account arrangement, though the two are somewhat similar. An Escrow Account is an arrangement for safeguarding the borrower against its customers from the payment risk for the goods or services sold by the former to the latter. This is achieved by removing the control over the cash flows from the hands of the customer to an independent agent, who in turn could ensure appropriation of cash flows as per the its mandate. The Escrow arrangement provides for directing a pre-determined payment stream from the customers of the borrower to a special account maintained with a designated agent. Payment / deposit by the user / buyer into such an account is assumed to be a valid discharge of his liability to the supplier of the goods / services. An Escrow arrangement involves parties different from the parties in a TRA mechanism. The Escrow arrangement would involve usually four parties: the lender, the borrower, the customers of the borrower and the Escrow Agent. The mandate to the Escrow Agent would normally be finalised by the lenders in consultation with the borrower and its customers.

Thus, for instance, in financing of a power plant which sells its power generated to a SEB, the Escrow arrangement would involve the power producer (borrower), the SEB concerned (customer), the bank / FI (lenders) and the Escrow Agent (a designated bank). The SEB would agree to direct its collection centres to deposit the electricity charges received from retail consumers, into a designated account with the designated bank (Escrow agent) and to direct its bulk consumers to deposit their payments directly with the Escrow Agent in the specified account. The Escrow Agent would then appropriate the funds in the Escrow account as per the priority laid down in the Escrow Agreement.

Guidelines on Climate Risk & Green Financing

- To lead the efforts in scaling up the sustainable finance business in the Bank a dedicated vertical to be created which will be primarily responsible for introducing Green Deposit and Green Loan Products and monitoring their performance. This will enable the Bank to take advantage of opportunities arising from climate change as the proceeds from green deposits will be deployed to finance environment-friendly businesses such as renewable energy, clean transportation, etc.

- Exposure of the Bank to carbon-intensive sectors exposes to transition risks. In this context, gradual reduction in exposure to highcarbon emitting/polluting businesses in the coming years is to be brought about.

- Exposure under Green Financing through separate green loan products catering to the requirement for Rooftop solar, electric vehicles (EVs), EV charging infrastructure etc will be prioritized.

- Green Portfolio constituting lending under Green Products, finances to sectors like Renewable Energy (Solar, Wind, and Hydro- Water), Ethanol Projects will be monitored on regular basis and quarterly portfolio position will be placed to RMC.

- Disclosure under Basel –III for such portfolio/ Climate Risk mitigation measures taken by Bank will be made.

- The Bank will engage with its corporate customers in pursuit of decarbonization and to reduce their emission of greenhouse gases. Sustainability Linked Loans (SLLs) to corporate customers will be extended where the interest rate on the loan will be linked to firm's achievement of certain sustainability benchmarks to incentivize the borrower to achieve certain sustainability performance objectives.

- Minimum four awareness programme on climate risk and sustainable finance in a FY will be done to help the Bank embed climate risk into their operations and ultimately to move towards carbon neutral position in long term.
- Branches /DAMC while opening the accounts shall ensure proper mapping of activity code for aggregation to Green Portfolio.

Collection of Scope 1 and 2 Carbon Emission data of borrower

In response to the increasing global focus on climate change and sustainable development, both the Reserve Bank of India (RBI) and the Securities and Exchange Board of India (SEBI) have taken significant steps to address environmental, social, and governance (ESG) risks.

In recent years, climate change concerns and sustainable development have taken centre stage in global and national priorities. There has been a growing recognition of the significant economic impacts of environmental, social and governance (ESG) risks across the globe, with many international bodies and financial regulators examining ESG-related issues including regulation and supervision.

Reserve Bank of India has released a Discussion Paper on Climate Risk and Sustainable Finance. Similarly, SEBI has also introduced new reporting requirements on ESG parameters called the Business Responsibility and Sustainability Report (BRSR) mandatory since FY 2022-23 for top 1000 listed entities (by market capitalization) and voluntary for other entities.

In this context, disclosure of Scope 1 & Scope 2 emissions^ by the entities has gained traction and being considered as an important point measuring contribution of organization towards Climate Risk Management. As such, under EASE 6.0, it has been taken as one of the Actions points for Banks to measure the quality of new advances/ front book with reference to controlling emissions of Green House Gases/ minimizing carbon foot print.

Thus to measure the same, in terms of EASE 6.0 guidelines, data on carbon emissions (including scope 1 & scope 2 emissions) for all borrowers on new loans above Rs.10 Cr for the industries Oil & Gas, Coal mining, Fossil fuel related power generation, Aviation and Petrochemicals is required with in 30.09.2023. The carbon emission data is required for every loan above Rs.10 Cr in Bank across all industries by 31.12.2023

Foreign Exchange

What is Foreign Exchange?

Foreign exchange is the mechanism by which currency of one country is converted into currency of another country. Foreign exchange means any currency other than the local currency which is used in settling International transactions and includes deposits, credits and balance payable in any foreign currency, drafts, traveller cheques, LCs or bills of exchange, expressed or drawn in Indian Currency but payable in FC/ drawn by banks, institutions or persons outside India, but payable in Indian currency.

Role of Reserve Bank of India

With the introduction of Foreign Exchange Management Act (FEMA) 1999 with effect from 1st June 2000, the objective of Reserve Bank of India has shifted from conservation of foreign exchange to facilitating external trade and payment and promoting the orderly development and maintenance of foreign exchange market in India.
Reserve Bank of India issues licenses to Authorised Dealer (ADs) Banks, Full Fledged Money Changers (FFMCs) and other selected Financial Institutions to deal in foreign exchange. Amendments / Liberalisations made by RBI on FEMA guidelines are informed through AP (DIR Series) circulars.

Authorised Dealers (ADs)

Scheduled Commercial Banks currently authorized by RBI to deal in foreign exchange as Authorised Dealers (ADs) Category I. Such ADs are permitted to deal in all current and capital account transactions according to RBI directions issued from time to time. They are permitted to open and maintain accounts in foreign currencies in foreign centers. They can buy and sell foreign currencies under the powers delegated to them. They can maintain the accounts of non-residents.

FFMCs (Full Fledged Money Changers), Co-operative banks, select Regional Rural Banks (RRBs) and other entities are known as Authorised Dealer-Category II. The major activities of these authorised persons are specific non-trade related current account transactions, the activities permitted to Full Fledged Money Changers etc. Select Financial and Other Institutions are known as Authorised Dealer-Category III. The major activities permitted to them are transactions incidental to the foreign exchange activities.

Foreign Exchange Dealers' Association of India (FEDAI)

This is an Association of ADs formed with the approval of RBI. The aim of the Association is to ensure that uniformity is maintained in the handling of all forex transactions.
Following are the important functions of FEDAI:
i. Issuing Guidelines and Rules for Forex Business
ii. Training of bank personnel in the areas of Foreign Exchange Business
iii. Accreditation of Forex Brokers
iv. Advising/Assisting member banks in settling issues/matters in their dealings
v. Representing member banks with Government/RBI/Other Bodies
vi. Announcing various rates on a periodical basis.

Classification of Branches

As per Reserve Bank of India requirement, branches of our Bank handling foreign exchange business are classified into three categories as under:

Category A Offices and branches maintaining independent foreign currency accounts in their own names. **The Treasury Branch falls under Category A.**
Category B Offices and branches not maintaining independent foreign currency accounts but operating on the accounts maintained by Category A branches. These branches are called Forex Authorised Branches (FABs)
Category C All other offices and branches handling foreign exchange business through Category A or B offices/branches and these branches are known as Non-Authorised Branches (NABs).

FEMA – Some Important Definitions
FEMA 2 (m) 'Foreign Currency' - Means any currency other than Indian Currency.
FEMA 2 (n) – 'Foreign Exchange' means foreign currency & includes:

i. Deposits, credits and balance payable in any foreign currency,
ii. Drafts, traveler cheques, LCs or bills of exchange, expressed or drawn in Indian Currency but payable in FC,/ drawn by banks, institutions or persons outside India, but payable in Indian currency.

FEMA 2(o) – 'Foreign Security' means any security in the form of

- shares,
- stocks,
- bonds,
- Debentures or any other instrument denominated or expressed in FC, but whose redemption or any form of return such as interest or dividends is payable in Indian Currency.

Section 5 of FEMA, 1999

- Release of foreign exchange to residents for various current account transactions
- Schedule I - expressly prohibited items
- Schedule II - permitted by the ADs if prior approval from the Ministry/Dept of GoI is secured
- Schedule III- prior approval of the RBI required for remittance exceeding these limits.

Opening of accounts of exporters – Compliance of KYC norms

Department of Financial Services (DFS) has informed that Enforcement Directorate (ED) has come across various cases wherein Indian parties having large export outstanding are not traceable. It is further stated that due diligence is not taken and KYC norms were not followed while opening accounts of exporters and importers.
In this connection, all branches handling Import Export transactions are hereby advised to meticulously follow the instructions as detailed below:

- All accounts opened for Import / Export transactions are fully KYC complied & due diligence has been done as per the extant guidelines of the bank from time to time.
- No transactions of Export / Import are undertaken for partially complied/non compliant accounts.
- Advance against Import payments can be made only from accounts which are in existence with the Branch at least for a period of 6 months with satisfactory operations. Unit visit of Export/Import clients before undertaking any transaction with them to specifically ascertain line of activity and scale of operations. Visit report is to be kept on-record for future verification.

With Effect from 01.10.2022 AD-I category branches will obtain the LEI number from resident entities (non individual) undertaking capital or current account transaction of Rs 50 cr & above under FEMA

Exchange transaction
A transaction which involves conversion of one currency into that of another is a foreign exchange transaction. A foreign exchange transaction may arise out of exports or imports or remittances into or from the country. The rate at which the conversion is done is the rate of exchange the **spot exchange rate** refers to the current exchange rate.

Interbank and Merchant transaction
A foreign exchange transaction between two banks is 'inter bank transaction'. In our bank inter bank deals are undertaken only by Treasury branch. Foreign exchange transactions between the bank and the customers is known as 'Merchant transactions'. The discussion in this chapter focuses on Merchant Transactions.

Purchase Transaction
In a 'Purchase Transaction' the bank acquires foreign currency from the customer and pays him the local currency. Purchase of export bills, payment of DD drawn in foreign currency are examples of purchase transactions.

Sale Transaction
In a 'Sale Transaction' the bank sells foreign currency to the customer receiving from him Indian rupees. Retirement of import bills, issue of DD in foreign currency are examples of sale transactions.

Exchange Quotations
In the interbank market the exchange quotation has two rates - one for buying and the other for selling the foreign currency. Which of the two rates is for buying or for selling is to be interpreted according to the method of quotation.

Direct Quote
An exchange rate quotation where the foreign currency is the standard (fixed) unit and the rate is expressed in variable units of the home currency is called 'Direct Quotation' or 'Home Currency Quotation'. In other words, the exchange rate for a foreign currency is expressed in terms of units of local currency equal to one unit of foreign currency. Direct method of quotation is presently being used in India.
Eg **:** US $ 1.00 = Rs.73.50/55.
Here buying rate is Rs.73.50 and selling rate is Rs.73.55 per dollar for the quoting bank.

Indirect Quote
If in an exchange rate quotation , the home currency is the standard (fixed) unit and the rate is expressed in variable units of the foreign currency, it is known as 'Indirect Quotation' or 'Foreign Currency Quotation'. In other words, under this type of quotation, the exchange rate is quoted in terms of the number of units of foreign currency equal to a unit of local currency.
Eg : Rs.100 = US $ 1.3605/3595
Here buying rate is USD 1.3595 and selling rate is USD 1.3605 per Rs.100 for the quoting bank.

Ready, Tom, Spot and Forward Transactions
In a **Ready or Cash** transaction, the exchange rate is agreed upon and the exchange of currencies is done on the same day.
In a **Tom** transaction, the exchange of currencies takes place on the next business day following the day when the transaction is closed.

In a **spot** transaction the exchange of currencies take place on the second succeeding business day following the day when the transaction is closed.
In a **forward** transaction, the exchange of currencies takes place at a specified future period, at an exchange rate predetermined on the date of the contract.

Base Currency / Term Currency
An exchange system quote is given by stating the number of units of "term currency" (or "price currency" or "quote currency") that can be bought in terms of 1 "unit currency" (also called "base currency"). For example, in a quote that says the EUR/USD exchange rate is 1.4320 (1.4320 USD per EUR), the term currency is USD and the base currency is EUR.

There is a market convention that determines which is the base currency and which is the term currency. In most parts of the world, the order is: EUR – GBP – AUD – NZD – USD – others. Thus if you are doing a conversion from EUR into AUD, EUR is the base currency, AUD is the term currency and the exchange rate tells you how many Australian dollars you would pay or receive for 1 Euro. Cyprus and Malta which were quoted as the base to the USD and others were recently removed from this list when they joined the euro.

Nostro accounts:
Any bank in the world, for undertaking foreign exchange transactions have to open an account with banks in various other countries known as Nostro accounts. When banks in India open accounts with banks abroad in their currency, it is known as Nostro account.

Vostro Account
When a bank abroad is opening account with a bank in India either in INR or FCY, we call it as Vostro account

Loro Account
Loro accounts are generally held by a 3rd party bank, other than the account maintaining bank or with whom account is maintained. For example SBI's JPY account with a bank in Tokyo will be a Loro account for Indian Bank.

What is a Mirror account?
It is an internal account maintained by "A category" branch. As we saw earlier, "A category" branch maintains the Nostro account for the bank as a whole. All B category branches of the bank will be operating these accounts. To monitor the operations in the account and to make reconciliation of transactions easier, mirror account is maintained. True to its name, it will reflect all the transactions taking place in the Nostro account. All debits to the Nostro account will appear as credit in the Mirror account and all the credits to Nostro account will appear as debit in the Mirror account

Who is an NRI?
As per FEMA NRI is a person who has gone out of India or who stays outside India, in either case

- for the purpose of gain full employment outside India,
- for undertaking business or vocation outside India,
- for education abroad,
- for any other purpose, in such circumstances as would indicate his intention to stay outside the country for an uncertain period

As per IT act, NRI is a resident who had stayed outside the country for a period of more than 182 days during the previous financial year. As per FEMA, intent to stay abroad is important factor for deciding the NRI status. In the case of IT act, physical stay is the important factor in deciding the status.

Who is a PIO?
PIO is a foreign citizen:
Who has ever held an Indian passport, or
The person's parents, grandparents or great grandparents were born in and were permanent residents of India and never moved to (i.e. were never nationals of) Bangladesh and Pakistan, or
The person is the spouse of a citizen of India or of a PIO and has been so for two years or more, and the person and his/her parents, grandparents or great grandparents must not have been a national of Bangladesh or Pakistan at any point of time.

What are types of accounts that can be opened by NRIs?
NRIs are permitted to open NRE, NRO & FCNR (B) accounts

What are the different types of NRE Accounts?
NRE account can be opened in the form SB/RD/Term Deposit and denominated in INR. The rate of interest on SB is as applicable to domestic deposit. The minimum period of Term deposit is 1 year & Maximum period of deposit is 10 years. Short Term Deposit cannot be opened as the minimum period of deposit is 1 year. Only the following credits are permitted in to NRE accounts:

a) Foreign Inward remittance
b) DD/Cheques drawn in foreign currency
c) Tendering of Foreign currency / Travellers Cheque during personal visit
d) Transfer from FCNR(B) / Other NRE accounts

Joint account is permitted. Joint account holder can be NRI or Resident Indian. If resident Indian, the joint account holder should be a close relative as deified in Companies Act 2013 and the mode of operation of the account should be F or S. Nomination is allowed and POA can also operate the account. But POA can transfer the funds outside the country only in favour of the account holder. No TDS on interest earned on the deposits as they are exempted from Tax and therefore no form 15G / 15H should be obtained from NRE account holders.

Funds held in these accounts can be freely repatriated. Also funds can be transferred from NRE to FCNR(B) and Vice Versa. Funds from NRE can also be transferred to NRO account. But transfer of NRO to NRE is restricted to a maximum of equivalent of USD 1 million per financial year subject to payment of applicable taxes in India.

What are the conditions relating to Interest on NRE term deposits

- NRE term deposits should be opened for a minimum term of one year.
- No interest is payable on NRE term deposits pre-closed before one year from the date of opening of the said deposit.
- Interest rates on NRE and NRO deposits cannot be higher than those offered on comparable domestic rupee deposits.
- Interest rates applicable to deposits for 3 years period will be applicable for deposits for terms more than 3 years also.

- Additional interest rate of one % per annum payable to Bank's own staff is not available in respect of NRE/NRO deposits.

NRO - CAPITAL GAINS DEPOSIT

To facilitate NRIs to derive benefits under the above scheme & also to broad-base our NRO Deposits portfolio, it has been decided to introduce NRO-Capital Gains Deposit scheme for NRIs also with immediate effect **Salient features of the scheme** Eligible Branches to open NRO-Capital Gains Deposits.	All branches **except rural b**ranches are authorised to accept deposits under the Scheme. However rural branches are also requested to mobilise deposits from their customers for the benefit of nearby semi-urban branches.
Eligible Persons to apply	NRIs who are eligible for Tax exemption under Section 54, 54 B, 54 D, 54 F, or 54 G, of the Income Tax Act 1961 (43 of 1961) can deposit under this scheme.
Types of Account	NRO-Savings Bank A/c NRO-Term Deposit A/c
Interest rates	As applicable for regular NRO-SB & NRO-MMD accounts.
Income-Tax /TDS on interest earned on the deposit.	As applicable for regular NRO-SB & NRO-MMD Accounts.
Additional interest rate for Staff members opening a/c.	Not Applicable.
Loan Facility	No Loan facility is permitted against the pledge of this deposit.

What is FCNR (B) Deposit
This deposit is denominated in foreign currency. Only term deposit can be opened – FD & MMD. No Short Term Deposit can be opened as minimum period of deposit is 1 year. Maximum period of deposit is 5 years
As per RBI guidelines this deposit can be opened in any permitted currency. In our Bank this deposit can be opened in eight currencies – USD, GBP, EUR, JPY, AUD, CAD, SGD & CHF.
Even resident can be joint account holder, provided resident joint account holder should be a close relative as defined in Companies Act 2013 & mode of operation should be F or S. No tax on interest earned on FCNR (B) Deposit. No interest rate concession to staff/ex-staff/senior citizen. Transfer of fund is permitted from FCNR to NRE and vice versa. Loan against FCNR (B) is permitted and loan to third party against FCNR deposit is also permitted

* **Pre-closure of FCNR (B) Deposits:**
For Closure of FCNR (B) deposits if the deposit is closed before due date, interest rate for the period run without penalty or the contracted rate without penalty , whichever is less , is applicable

What are the features of NRO deposit?
It is similar to domestic deposits. Local rupee also can be deposited into this account. SB/TD/RD can be opened. Minimum period of deposit is 7 days and maximum 10 years. Transfer from one NRO to another NRO account of the same person or others are permitted. Staff/Ex-staff members and senior citizen/Ex-staff senior citizen are not eligible for concessional rate of interest. Interest on SB and RD is also subject to TDS. TDS is 30% (under Sec.80TTA). No Form 15G/15H to be obtained in respect of NRI Customers. Foreclosure as applicable to domestic term deposit.

Whether NRIs can be Joint Holders in Resident's SB/EEFC/RFC Accounts?
Individual residents in India are now permitted to include non-resident close relative(s) as joint holder(s) in their resident bank accounts, namely, Savings (SB), Exporter Earners' Foreign Currency (EEFC) and Residents' Foreign Currency (RFC) accounts, on 'Former or Survivor' basis.

Whether Residents can be Joint Holders in NRE/FCNR Accounts
Non-Resident Indians (NRIs)/Person of Indian Origin (PIO), are now permitted to open Non-Resident (External) (NRE) Rupee Account / Foreign Currency (Non-Resident) (FCNR) Account (Banks) Scheme with their resident close relatives(s) as Joint Holder(s) on 'Former or Survivor' basis only, w.e.f 01.09.2016.

Whether loan to NRI can be given against securities in India?
Banks may grant loans against NRE and FCNR (B) term deposits either to the depositors or third parties.

- The term "loan" shall include all types of fund based/non-fund based facilities.
- Rupee loans in India to be allowed to depositor / third party without any ceiling to the extent of balance outstanding in the NRE/FCNR (B) accounts, subject to usual margin requirements.
- Foreign currency loans in India / outside India to be allowed to depositor / third party without any ceiling to the extent of balance outstanding in the NRE / FCNR (B) accounts, subject to usual margin requirements.
- In case of FCNR (B) deposits the margin requirement shall be notionally calculated on the rupee equivalent of the deposits in accordance with para 9(2) of Schedule-2 of Foreign Exchange Management (Deposit) Regulations, 2000.
- The facility of Premature Withdrawal of NRE / FCNR (B) Deposits shall not be available where loans against such deposits have been availed.
- The existing loans which are not in conformity with the above instructions shall continue for their existing term and shall not be rolled over / renewed. As roll over in CBS is automated, branches are instructed to identify such accounts where roll over is not to be permitted and take up well in advance with Project Office to ensure compliance in this regard.

Whether residents can repay the loans given to NRI Close Relatives
Resident individuals are now granted general permission to repay loans availed of in Rupees from banks in India by their NRI close relatives. Earlier, repayment of loans by close relative in respect of Rupee loan availed by NRIs was restricted only to housing loans.

Whether residents can bear Medical Expenses of NRIs
Residents will now be allowed to bear the medical expenses of visiting NRI/PIO close relatives. Earlier, residents were allowed to make payment in rupees towards meeting expenses on

account of boarding, lodging and services related to it or travel to and from and within India of a person resident outside India and who is on a visit to India.

What are different types of Foreign Currency Accounts that a Residents can open?
Exchange Earner's Foreign Currency Account (EEFC) Enables exporters and other exchange earners to retain a portion of their receipts (at present 100%) in foreign exchange with an AD. Only current account - No credit facilities, either fund or non-fund based, should be permitted against the security of the EEFC balances. Balance can be transferred to NRE/FCNR account on change of status from Resident to Non Resident. Export packing credit can be allowed to be adjusted out of such funds. **As per the latest guidelines, the funds credited to the EEFC account during a calendar month should be utilized in full by end of succeeding calendar month.**

RFC Account: A resident in India who was earlier an NRI (One year stay abroad) and became resident on or after 18/04/92 can hold (Resident Foreign Currency) RFC account. This deposit is denominated in Foreign Currency. Any foreign exchange acquired from abroad can be credited. SB and Fixed Deposit permitted. No restrictions including investment overseas. Banks are free to determine interest rates.

RFC (Domestic) Account: A resident in India who acquired foreign exchange while on a visit abroad, from a person on visit to India or by way of gift or honorarium etc. can open RFC (Domestic) account Held in Foreign currency. Only Current account permitted. No interest payable. Repatriation permissible for current and capital account

What is FCRA?
FCRA – Foreign Contribution Regulation Act, 2010 - The Act stipulates that no foreign contribution shall be accepted by a candidate for election; correspondent, columnist, cartoonist, editor, owner, printer or publisher of a registered newspaper; judge, government servant or employee of any Corporation; member of any legislature; political party or office bearer thereof; and individuals or associations specifically notified under section 10 (a) of Foreign Contribution (Regulation) Act, 2010 who have been prohibited from receiving foreign contribution.

Ministry of Home Affairs (MHA), Government of India have made some important amendments in FCRA 2010 and Foreign Contribution (Regulation) Rules 2015 through amendments (FCRR)

- government may prohibit / stipulate prior permission for accepting any foreign contribution
- association having definite cultural, economic, educational, religious, and social program should get themselves registered with the Ministry of Home Affairs, Govt. of India, New Delhi

Before crediting any inward receipt of funds, received in favour of any of the above mentioned associations, banks to meticulously observe –

- To insist upon permission of Central Govt. (Ministry of Home Affairs).
- Obtain copy of permission letter, if prior permission obtained.
- Not to afford credit to the account of such associations which are not registered with MHA under FCRA, 2010.
- To afford credit to the account of such associations as have been directed to receive foreign contributions only after obtaining permission of the Central Govt.
- Not to allow the credit of the proceeds of the cheques / demand drafts etc. to the organizations of political parties (including their branches and units) unless a letter

containing the prior permission of Central Government under the FCRA, 2010 is submitted.

- FCRA main account will be maintained at SBI New Delhi branch.

Amendments to the Foreign Contribution (Regulation) Act and Rules 2015

Some of the important changes are explained in the short note below for the use of Non Profit Organisations and their functionaries for proper compliance of the law of FCRA and the rules made.

For some of the following changes, previously prior approvals were required but such permissions are done away with in the recently amended FCRR 2015. Now, it is sufficient to give intimation online for the following events and changes:
Change of Association name
For change in designated bank account
For opening utilisation accounts
For more than 50% change in board members
For change in aims and objectives
For change in address within the State

For all of the above changes, the form in which intimation has to be given is Form No. FC 6 which is online.

Acceptance of donation from foreign source

Organizations / associations can accept contributions from a “foreign source” only if they are registered with the MHA / GOI. It is to be noted that the account opened for the purpose of receiving contribution / donation should not pass any other regular credits.
In a relief to thousands of NGOs the Home ministry has relaxed the mandatory requirement of getting themselves registered on Niti Aayog-run online platform to receive foreign donations. NGOs will no longer need to have the unique ID generated through the Darpan portal to get such donations. The Home Ministry has issued orders that registration on Darpan will be made optional.

What is Export Finance?

Export Finance is a short term working capital finance allowed to an exporter for manufacturing, processing, packing and after shipment of goods / rendering service to the date of realization of export proceeds.
Export Finance consists of two stages viz., Stage 1 : Pre-Shipment Credit and Stage 2 : Post-Shipment Credit.

Who are eligible to avail export Finance?

Eligible borrowers for Export Finance: Exporter of goods & Service, indirect exporters, exporters of agri products, sub-suppliers, contractors and deemed exporters

Indirect Exporters: Rupee Export Packing Credit to Manufacturer Suppliers who do not have export orders / letters of credit in their own name and goods are exported through the State Trading Corporation/Minerals and Metal Trading Corporation or other export houses, agencies etc.

Sub-Suppliers: Packing credit can be shared between an Export Order Holder (EOH) and sub-supplier of raw materials, components etc. of the exported goods as in the case of EOH and manufacturer suppliers.

Deemed Export : Transactions in which the goods supplied do not leave the country and the payment for such supplies is received either in Indian Rupees or in free foreign exchange refers to deemed export. It includes supply of goods against licenses issued under duty exemption scheme, EPZ, STP, EOU, EHTP and projects funded by UN agencies etc.,

What is pre-shipment Credit?

Pre-Shipment Credit:
Pre-Shipment Credit refers to any loan or advance granted or any other credit provided by the bank to an exporter for financing the purchase, processing, manufacturing or packing of goods prior to shipment for export of goods / services from India.

Types of Pre-Shipment Credit
1. Packing Credit – (for financing the purchase, processing, manufacturing or packing of goods prior to shipment for export of goods / services)
2. Advance against receivables from the Government like duty drawback etc.
3. Advance against Cheques / drafts representing advance payment.
4. Foreign Currency Pre-shipment Finance (Foreign Currency Packing Credit - FCPC)

What is quantum of Advance under pre shipment finance?
a) Pre-shipment finance should not exceed the FOB value (Free On Board) of the goods or domestic cost of production, whichever is less. Margin as stipulated must be maintained. Where the order / LC is on CIF 'basis' and 'its' amount should be reduced to FOB value before deducting the margin

What is the Period of Advance for Pre-shipment Finance?
Period, for which the pre-shipment finance can be extended at concessional rates, as determined by RBI, is 360 days for all types of commodities, from the date of advance. If pre-shipment advances are not adjusted by submission of export documents within 360 days from the date of advance, the advances will cease to qualify for prescribed rate of interest for export credit to the exporter ab initio.

What are the means by which Packing Credit can be adjusted / liquidated?

Liquidation of Packing Credit refers to adjustment of packing credit. The liquidation can be by

1) Proceeds of bills drawn for the exported commodities on its purchase, discount etc.
2) Repaid / prepaid out of balances in Exchange Earners Foreign Currency A/c (EEFC)
3) From rupee resources of the exporter to the extent exports have actually taken place.
4) Packing credit in excess of export value can be permitted to liquidate the excess PC by export bills drawn in respect of by-product to be adjusted either in cash or by sale of residual by –product, like oil, within a period not exceeding 30 days from the date of advance to be eligible for concessional rate of interest.

What is Substitution?
Repaying / liquidating packing credit with proceeds of export documents relating to any other order / shipment covering the same or any other commodity exported by the exporter is known as substitution. Substitution is permitted only to exporter clients who have a good track record.

What is 'Running Account' Facility?

Pre-shipment Credit 'Running Account' facility in respect of any commodity, without insisting on prior lodgement of letters of credit / firm export orders may be extended, depending on the judgment regarding the need to extend such a facility to exporters whose track record has been good as also to Export Oriented Units (EOUs) / Units in Free Trade Zones / Export Processing Zones (EPZs) and Special Economic Zones (SEZs). Running account facility should not be granted to sub-suppliers.

What is a Post-Shipment Credit and what is different type of post shipment finance
Post shipment Credit means any loan or advance granted or any other credit provided by the bank to an exporter after shipment of goods / rendering services to the date of realization of export proceeds. Types of Post-Shipment Credit are:

1. Export Bill Purchased / Negotiated / Discounted
2. Advance against bill sent on collection basis
3. Advance against undrawn balance
4. Advance against Duty Drawback receivable from Government.
5. Post Shipment Credit in Foreign Currency (FCFBD)

What is Period for post shipment finance?

Demand bills - Normal Transit Period (NTP) as specified by FEDAI – 25 days for all bills drawn in FC
Usance bills - Maximum duration of 365 days from date of shipment inclusive of Normal Transit Period (NTP) and grace period, if any.
Fixed Due Date - Due date is reckoned from the date of shipment or date of Bill of Exchange, NTP shall not be applicable

How Post-shipment finance can be liquidated?
Liquidation of Post Shipment Credit refers to adjustment of FBN / FBP. The liquidation can be by

- Proceeds of export bills received from abroad in respect of goods exported / services rendered.
- Repaid / prepaid out of balances in Exchange Earners Foreign Currency Account (EEFC a/c)
- From the proceeds of any other unfinanced (collection) bills.

Whether Export Credit can be availed in Foreign Currency

Exporter can avail, both pre-shipment and post-shipment credit in foreign currency in one of the convertible currencies viz USD, GBP, JPY, EUR etc. PCFC (Packing Credit in Foreign Currency) can also be availed in one convertible currency in respect of order invoiced in another convertible currency. The risk and cost of cross currency transaction will be that of exporter. The instructions with regard to rupee export credit applies to export credit in foreign currency, unless otherwise specified. The lending rate should not exceed 3.5% over LIBOR/EURO LIBOR/EURIBOR. Customers are allowed to book forward contract in any permitted currency of their choice to hedge the transactions.

What is an Import License?

Except for goods included in the restricted item which require license under the Foreign Trade Policy in force, AD banks can freely open letters of credit and allow remittances for import. The earlier name "license" is now termed as "authorization". Import authorizations are issued by Regional Offices of DGFT. While opening letters of credit, the 'For Exchange Control purposes' copy of the license should be called for and special conditions, if any, attached to such licenses should be adhered to. After effecting remittances under the license, Authorised Dealer may preserve the copies of utilised license/s till they are verified by the internal auditors or inspectors.

What is the time limit for normal imports?
In terms of the extant regulations remittances against imports should be completed no later than six months from the date of shipment, except in cases where amounts are withheld towards guarantee of performance, etc. Interest in respect of delayed payments, usance bills or overdue interest for a period of less than three years from the date of shipment may be permitted.

What is the time limit for import of books?
Remittances against import of books may be allowed without restriction as to the time limit.

What is the amount of advance remittance for import of goods
Advance remittance for import of goods may be allowed upto USD200000 or its equivalent. If the amount of advance remittance exceeds USD200,000 or its equivalent, standby Letter of Credit or a guarantee from an international bank of repute situated outside India or guarantee of an AD Category – I bank in India, if such a guarantee is issued against the counter-guarantee of an international bank of repute situated outside India, is obtained.

What is the amount of advance remittance for import of services?
Advance remittance for import of services may be allowed upto USD500000 or its equivalent. If the amount of advance remittance exceeds USD500,000 or its equivalent, standby Letter of Credit or a guarantee from an international bank of repute situated outside India or a guarantee of an AD Category – I bank in India, if such a guarantee is issued against the counter - guarantee of an international bank of repute situated outside India, is obtained.

RBI has issued operational guidelines to banks in respect of the following:
1. Advance remittance for import of goods.
2. Advance remittance for import of rough diamonds.
3. Advance remittance for import of Aircrafts/Helicopters and other Aviation related purchases.
4. Advance remittance for import of services.

Advance Remittance for Import of Goods
AD Category – I bank may allow advance remittance for import of goods without any ceiling subject to the following conditions:

(a) If the amount exceeds USD 200,000 or its equivalent, an unconditional, irrevocable standby Letter of Credit or a guarantee from an international bank of repute situated outside India or a guarantee of an AD Category – I bank in India, if such a guarantee is issued against the counter-guarantee of an international bank of repute situated outside India, is obtained.

(b) In cases where the importer (other than a Public Sector Company or a Department/Undertaking of the Government of India/State Government/s) is unable to obtain bank guarantee from overseas suppliers and the AD Category – I bank is satisfied about the track record and bonafide of the importer, the requirement of the bank guarantee / standby

Letter of Credit may not be insisted upon for advance remittances up to USD5,000,000 (US Dollar Five million). AD Category – I banks may frame their own internal guidelines to deal with such cases as per a suitable policy framed by the bank's Board of Directors.

(c) A Public Sector Company or a Department/Undertaking of the Government of India / State Government/s which is not in a position to obtain a guarantee from an international bank of repute for an advance payment, is required to obtain a specific waiver for the bank guarantee from the Ministry of Finance, Government of India before making advance remittance exceeding USD 100,000

Advance remittance for import of goods may be allowed upto USD200000 or its equivalent and standby LC or guarantee is not mandatory.

Above USD200,000/- or its equivalent and up to USD 5 Million or its equivalent (Maximum permitted by RBI for remittance without standby LC/guarantee) separate internal guidelines to be approved by Board of Directors

If the amount of advance remittance exceeds USD 200,000 or its equivalent, standby Letter of Credit or a guarantee from an international bank of repute situated outside India or a guarantee of an AD Category – I bank in India, if such a guarantee is issued against the counter-guarantee of an international bank of repute situated outside India, is obtained.

Import of rough diamonds - Any amount can be remitted without any limit and without standby LC/guarantee, subject to adherence to the RBI specified conditions.

Import of aircrafts / helicopters and other aviation related purchases
Up to USD 50 Million or its equivalent can be remitted without standby LC/guarantee - Separate internal guidelines to be approved by Board of Directors
Import of services
Up to USD 500,000/- or its equivalent can be remitted without standby LC/guarantee.

What is Bill of Entry Form?
The Reserve Bank of India had launched a comprehensive IT- based system called Import Data Processing and Monitoring System (IDPMS) from 10th October 2016 for monitoring of import of goods and software and facilitating AD banks to report various returns through a single platform. The purpose:
- Paperless secure transmission of data relating to imports through from customs, to authorized dealers and vice versa. Ensure better regulatory compliance
- Easier tracking / generation of import transactions /data/ history
- Do away with or minimize manual data entry work, reporting, follow-up and communication procedures at AD banks

In our Bank, all trade related transactions are handled through EXIM Module which was introduced in 2008, much before introduction of IDPMS Portal by Reserve Bank of India. The following outward remittance transactions are included while reporting ORM file
a) Advance Payment against Imports.
b) Payment of Import collection bills
c) Payment of Import Bills under LC The input files (containing the ORM data)

are generated for transactions handled in EXIM Module and these files are uploaded in IDPMS Portal. Upon successful validation of the files in IDPMS Portal, acknowledgement files are available for upload and updating the status of ORM in EXIM Module. Bill of entry (BOE) data (evidence for goods imported in a country) captured at Customs / SEZ would be transmitted through Secured File Transfer Protocol (SFTP) server to RBI. The same will be segregated bank wise based on the AD code declared by the importers in BOE and shared with the respective banks for subsequent follow up. The BOE master file is downloaded from the IDPMS portal and is uploaded in Exim module on a daily basis. For non-EDI ports, AD banks of the importer shall upload in the EXIM bill package the BoE data in IDPMS as per message format “Manual BoE reporting” on daily basis on receipt of BoE from the customer/customs office.

•AD banks will enter BOE details and mark off ORMs as per the message format “BOE Settlement”
•In case of payment after receipt of BoE, the AD bank shall generate ORM for import payments made by the importer customer as per the message format “BOE Settlement”
•Multiple ORMs can be settled against single BoE and also multiple BoEs can be settled against one ORM.

Verification of documents online in order to prevent processing of documents with forged and bogus paper is necessary as given below as per Ministry of Finance

Import and export documentation in Customs takes place through Indian Customs EDI System. The banks can have access to information in the Indian Customs EDI Systems (ICES) through ICEGATE (www.icegate.gov.in) portal which all stake holders use regularly. The status of any Shipping Bill or Bill of Entry can be checked by giving the Shipping Bill or Bill of Entry number, date and port of export and banks are requested to ensure the following to prevent frauds in future.

a) To verify every Shipping Bill online through www.icegate.gov.in before discounting relevant export bills.
b) To verify the Shipping Bills in cases where relevant export bills have been discounted and amount is outstanding.
c) To report all cases of Bill Discounting frauds in exports so that the patterns and modus operandi can be studied and gaps and loopholes either in regulation or in practice can be identified or fixed.

What is a Letter of Credit?

Letter of Credit - an undertaking by a bank, in the importing country, on behalf of the importer/buyer, to the exporter/seller, stipulating that if specified documents conforming to LC are presented within a stipulated date the bank establishing the credit will pay the amount.

What are the Types of LCs

- ✓ Irrevocable Credit – Cannot be cancelled / amended without the consent of all the parties (As per Article 3 of UCP 600, in the absence of any indication to the effect that it is revocable or irrevocable, the credit shall be deemed to be irrevocable).
- ✓ Confirmed LC - additional undertaking (only irrevocable LC) by confirming bank normally in the exporter’s country, that payment will be made to the exporter if the terms of the credit are met

- ✓ Payment Credit (sight credit /payment / against presentation of requisite documents to the nominated paying bank / the draft to be drawn on the paying bank mentioned in the credit.
- ✓ Deferred Payment Credit - Payment to be made by the nominated bank on due dates as per the terms of the credit / No Bill of Exchange
- ✓ Negotiation Credit - Allow negotiation by any bank / Restrict negotiation to a particular bank → Restricted LCs
- ✓ Acceptance Credit - Usance bill of exchange is mandatory / BOE shall be drawn on a specified bank indicating the tenor / The drawee bank will accept the drafts and honor the same by making payment on the determined due date.
- ✓ Revolving LC - amount availed is reinstated and is available for negotiation again
- ✓ Transferable LC - original beneficiary can transfer to one/many other beneficiaries. Cannot be transferred to third beneficiary. A credit can be transferred only if it is specifically indicated on the LC.
- ✓ Back-to-Back LC- against the security of another credit, may be a local credit, another LC is opened based on export LC.
- ✓ Red/Green-Clause Credit - enables the beneficiary to avail pre-shipment credit (Red Clause) up to warehousing stage (Green Clause). Beneficiary defaulting LC opening bank to reimburse the lending bank
- ✓ Standby LC - A substitute for guarantee and issued to cover situations of non-performance - Normally issued in countries where regulations PROHIBIT the issue of guarantees by the banks– e.g. USA, Japan
- ✓ Any discrepancy to be notified to the negotiating bank within 5 banking days, as per UCP 600.

What are the important regular Statements submitted to RBI

- ✓ R-Returns
- ✓ Authorised dealers may forward a statement in Form EBW, every half year, to the Regional Office of Reserve Bank under whose jurisdiction they are functioning, indicating details of write offs allowed under their delegated powers.
- ✓ ENC- statement of Export Bills negotiated / sent for collection during fortnightly period

What is SWIFT?

SWIFT – Stands for Society for Worldwide Interbank Financial Telecommunications. It is a co-operative society registered in Belgium having its headquarters at Brussels. The first message was sent over the SWIFT network in May 1977 and all 15 founder countries became live on the system. Main objective of SWIFT is standardization, processing and transmission of international financial messages like payment orders, letters of credit, documentary collections etc. The main advantage of message standardization is that SWIFT messages are computer readable and hence can be easily processed.

As an additional measure to tighten control over SWIFT environment, the following measures are implemented from 15th November 2018 through which we seek to centralise all outward messaging of SWIFT, irrespective of Message Type.

Verification and authorization of all outward SWIFT messages will be by SWIFT Centre. Irrespective of the amount, branches to send details of MT 103 and MT 202, EEFC debts, the credit to FC Holding account, signed by BM under his SS No. A scanned copy will be sent to branches etc this is in addition to the existing systems followed.

A uniform cut-off time of 6.00 PM is stipulated for all branches so that SWIFT Centre can process all outward messages before 7.00 PM beyond which SWIFT Server will not process any message. SWIFT Centre has to send a list of transactions beyond threshold limit to Nostro correspondents before 6.00 pm.

This is a major step in enhancing SWIFT security. This replaces the verification and authorisation function at branches with a simple reporting to SWIFT Centre on the details of transactions for the day. Branches are advised to ensure full compliance and also to judiciously utilise the man hours released on simplification of the process, once the system stabilises.

What is Form 15CA & Form 15CB?
A person making a remittance (a payment) to a Non Resident or a Foreign Company has to submit Form 15CA. This form is submitted online. In some cases, a certificate from a Chartered Accountant in Form 15CB is required before uploading Form 15CA online. In Form 15CB, a CA certifies details of the payment,

Here are the details regarding these forms –

- In some cases Form 15CA and certificate from CA in Form 15CB are not required. This is when remittance is towards the list of 28 items mentioned in Rule 37BB.
- Certificate in Form 15CB is not required when remittance does not exceed Rs 50,000 (single transaction) and Rs 2,50,000 (in total in a financial year). Only Form 15CA is has to be submitted in this case.
- Certificate in Form 15CB is not required if lower TDS has to be deducted and a certificate is received under section 197 for it or lower TDS has to be deducted by order of the AO. Only Form 15CA is to be uploaded in such a case.
- In all other cases, if there is a remittance outside India, the person who is making the remittance will take a CA's certificate in Form 15CB and after receiving the certificate submit Form 15CA to the government online.

What is UCP 600?
UCP 600 is the latest version of the rules that govern letters of credit transactions worldwide. UCP 600 is prepared by International Chamber of Commerce's (ICC) Commission on Banking Technique and Practice. Its full name is 2007 Revision of Uniform Customs and Practice for Documentary Credits, UCP 600, and (ICC Publication No. 600). The ICC Commission on Banking Technique and Practice approved UCP 600 on 25 October 2006. The rules have been effective since 1 July 2007.

What are the important features of UCP 600?
UCP 500 was the rules that had been in implementation before UCP 600. There are several significant differences exist between UCP 600 and UCP 500. Some of these differences are as follows;

- The number of articles reduced from 49 to 39 in UCP 600;
- In order to reach a standard meaning of terms used in the rules and prevent unnecessary repetitions two new articles have been added to the UCP 600. These newly added articles are Article 2 "Definitions" and Article 3 "Interpretations". These articles bring more clarity and precision in the rules;
- A definitive description of negotiation as "purchase" of drafts of documents;

- New provisions, which allow for the discounting of deferred payment credits;
- The replacement of the phrase “reasonable time” for acceptance or refusal of documents by a maximum period of five banking days, reduced from 7 days.
- Repetitive, redundant and ambiguous language was eliminated.
- Numerous discrepancy issues were eliminated.
- A new provision on applicant/beneficiary addresses was added.
- Transport document shipment dates and their impact on presentation time were clarified.
- Easier-to-understand transportation articles were created.

Remittances Facility for Resident
Outward remittance :
For Personal Visit Abroad -Max: USD 250000 (or equivalent)
Business Visit – Max -USD 250000(or equivalent)
(Currency Component)- Maximum amount permitted: US$ 3000 (or equivalent) per ticket / traveller - Except
Iraq / Libya <= US$5000, Iran / Russian Federation and other CIS countries - Full Amount
Travel to and/or residents of Nepal and Bhutan (clause (b) of Rule 3 of FEMA) – Nil

It is not mandatory for Authorised Dealers to endorse the amount of foreign exchange sold for travel abroad on the passport of the traveller. However, if requested by the traveller, they may record under their stamp, date, signature details of foreign exchange sold for travel.

Education abroad – USD 250000
Medical treatment abroad – USD 250000,
Maintenance of NRI Abroad – USD 250000
Immigration / Employment Abroad – USD 250000,

But total remittance under Rule 5 – Schedule III under LRS during a financial year should not exceed equivalent of USD 250000

Liberalised Remittance Scheme of USD 250000 for resident individuals
- Remit up to USD 250000 / F Y.
- Permitted transactions - Current / Capital A/c. or combination of both
- For undertaking transactions under the Scheme, resident individuals may use the application-cum-Declaration Form **and it is mandatory to have PAN number to make remittances under the Scheme.**
- All remittances as per Rule 5 – Schedule III of FEMA are subsumed under the limit of USD 250000 under the Scheme
- An investor can retain and reinvest the income earned on investments made under the Liberalised Remittance Scheme.

Surrendering of FX
- Unspent FX is to be surrendered to an authorized person within 180 days from the date of its receipt
- Where the aggregate value of FX in the form of currency notes, TCs brought in at any one time exceeds USD10000 or its equivalent, and / or, the aggregate value of foreign currency notes brought in at any one time exceeds USD5000 or its equivalent, currency to be declared at the time of entering into India by a person to Custom Authorities in Currency Declaration Forms (CDF)

- A returning traveller is permitted to retain with him, foreign currency traveler's cheques and currency notes up to an aggregate amount of USD2000 and foreign coins without any ceiling beyond 180 days. (cf. Notification No. FEMA 11/2000-RB dated May 3, 2000). Foreign exchange so retained, can be utilized by the traveller for his subsequent visit abroad
- Where a person approaches an Authorised Person for surrender of unspent/ unutilized foreign exchange after the prescribed period of 180 days, Authorised Person should not refuse to purchase the foreign exchange merely on the ground that the prescribed period has expired.

While remitting

- Endorsement of Passport for FX issued not mandatory
- International Credit Cards (ICCs) – not limited by individual limits
- ICC settled debit to FC a/c → only direct remittance to Card Issuer
- IDC – limits as prescribed in FEMA Section 5 Schedule III.
- IDC payments>USD100000 per calendar year – send statement to RBI

Foreign Trade Policy 2023

Foreign Trade Policy 2023 announced FTP 2023 is a dynamic and open ended Policy that will accommodate the emerging needs.

FTP seeks to take India's exports to 2 trillion dollars by 2030

4 pillars of FTP 2023:

The Key Approach to the policy is based on these 4 pillars:

(i) Incentive to Remission,

(ii) Export promotion through collaboration - Exporters, States, Districts, Indian Missions,

(iii) Ease of doing business, reduction in transaction cost and e-initiatives.

(iv) Emerging Areas – E-Commerce Developing Districts as Export Hubs and streamlining SCOMET policy.

Foreign Trade Policy (2023) is a policy document which is based on continuity of time-tested schemes facilitating exports as well as a document which is nimble and responsive to the requirements of trade. It is based on principles of 'trust' and 'partnership' with exporters. In the FTP 2015-20, changes were done subsequent to the initial release even without announcement of a new FTP responding dynamically to the emerging situations. Hereafter, the revisions of the FTP shall be done as and when required. Incorporating feedback from Trade and Industry would also be continuous to streamline processes and update FTP, from time to time.

The FTP 2023 aims at process re-engineering and automation to facilitate ease of doing business for exporters. It also focuses on emerging areas like dual use high end technology items under SCOMET, facilitating e-commerce export, collaborating with States and Districts for export promotion.

The new FTP is introducing a one-time Amnesty Scheme for exporters to close the old pending authorizations and start afresh.

The FTP 2023 encourages recognition of new towns through “Towns of Export Excellence Scheme” and exporters through “Status Holder Scheme”. The FTP 2023 is facilitating exports by streamlining the popular Advance Authorization and EPCG schemes, and enabling merchanting trade from India.

Process Re-Engineering and Automation

Greater faith is being reposed on exporters through automated IT systems with risk management system for various approvals in the new FTP. The policy emphasizes export promotion and development, moving away from an incentive regime to a regime which is facilitating, based on technology interface and principles of collaboration. Considering the effectiveness of some of the ongoing schemes like Advance Authorization, EPCG etc. under FTP 2015-20, they will be continued along with substantial process re-engineering and technology enablement for facilitating the exporters. FTP 2023 codifies implementation mechanisms in a paperless, online environment, building on earlier 'ease of doing business' initiatives. Reduction in fee structures and IT-based schemes will make it easier for MSMEs and others to access export benefits.

Duty exemption schemes for export production will now be implemented through Regional Offices in a rule-based IT system environment, eliminating the need for manual interface. During the FY23-24, all processes under the Advance and EPCG Schemes, including issue, re-validation, and EO extension, will be covered in a phased manner. Cases identified under risk management framework will be scrutinized manually, while majority of the applicants are expected to be covered under the 'automatic' route initially.

Towns of Export Excellence

Four new towns, namely Faridabad, Mirzapur, Moradabad, and Varanasi, have been designated as Towns of Export Excellence (TEE) in addition to the existing 39 towns. The TEEs will have priority access to export promotion funds under the MAI scheme and will be able to avail Common Service Provider (CSP) benefits for export fulfillment under the EPCG Scheme. This addition is expected to boost the exports of handlooms, handicrafts, and carpets.

Recognition of Exporters

Exporter firms recognized with 'status' based on export performance will now be partners in capacity-building initiatives on a best-endeavor basis. Similar to the 'each one teach one' initiative, 2-star and above status holders would be encouraged to provide trade-related training based on a model curriculum to interested individuals. This will help India build a skilled manpower pool capable of servicing a $5 Trillion economy before 2030. Status recognition norms have been re-calibrated to enable more exporting firms to achieve 4 and 5-star ratings, leading to better branding opportunities in export markets.

Promoting export from the districts

The FTP aims at building partnerships with State governments and taking forward the Districts as Export Hubs (DEH) initiative to promote exports at the district level and accelerate the development of grassroots trade ecosystem. Efforts to identify export worthy products & services and resolve concerns at the district level will be made through an institutional mechanism – State Export Promotion Committee and District Export Promotion Committee at the State and District level, respectively. District specific export action plans to be prepared for each district outlining the district specific strategy to promote export of identified products and services.

Streamlining SCOMET Policy

India is placing more emphasis on the "export control" regime as its integration with export control regime countries strengthens. There is a wider outreach and understanding of SCOMET (Special Chemicals, Organisms, Materials, Equipment and Technologies) among stakeholders, and the policy regime is being made more robust to implement international treaties and agreements entered into by India. A robust export control system in India would provide access of dual-use High end goods and technologies to Indian exporters while facilitating exports of controlled items/technologies under SCOMET from India.

Facilitating E-Commerce Exports

E-commerce exports are a promising category that requires distinct policy interventions from traditional offline trade. Various estimates suggest e-commerce export potential in the range of $200 to $300 billion by 2030. FTP 2023 outlines the intent and roadmap for establishing e-commerce hubs and related elements such as payment reconciliation, book-keeping, returns policy, and export entitlements. As a starting point, the consignment wise cap on E-Commerce exports through courier has been raised from ₹5Lakh to ₹10 Lakh in the FTP 2023. Depending on the feedback of exporters, this cap will be further revised or eventually removed. Integration of Courier and Postal exports with ICEGATE will enable exporters to claim benefits under FTP. The comprehensive e-commerce policy addressing the export/import ecosystem would be elaborated soon, based on the recommendations of the working committee on e-commerce exports and inter-ministerial deliberations. Extensive outreach and training activities will be taken up to build capacity of artisans, weavers, garment manufacturers, gems and jewellery designers to onboard them on E-Commerce platforms and facilitate higher exports.

Facilitation under Export Promotion of Capital Goods (EPCG) Scheme

The EPCG Scheme, which allows import of capital goods at zero Customs duty for export production, is being further rationalized. Some key changes being added are:

- Prime Minister Mega Integrated Textile Region and Apparel Parks (PM MITRA) scheme has been added as an additional scheme eligible to claim benefits under CSP(Common Service Provider) Scheme of Export Promotion capital Goods Scheme(EPCG).
- Dairy sector to be exempted from maintaining Average Export Obligation – to support dairy sector to upgrade the technology.
- Battery Electric Vehicles (BEV) of all types, Vertical Farming equipment, Wastewater Treatment and Recycling, Rainwater harvesting system and Rainwater Filters, and Green Hydrogen are added to Green Technology products – will now be eligible for reduced Export Obligation requirement under EPCG Scheme

Facilitation under Advance authorization Scheme

Advance authorisation Scheme accessed by DTA units provides duty-free import of raw materials for manufacturing export items and is placed at a similar footing to EOU and SEZ Scheme. However, the DTA unit has the flexibility to work both for domestic as well as export production. Based on interactions with industry and Export Promotion councils, certain facilitation provisions have been added in the present FTP such as

- Special Advance Authorisation Scheme extended to export of Apparel and Clothing sector under para 4.07 of HBP on self-declaration basis to facilitate prompt execution of export orders – Norms would be fixed within fixed timeframe.
- Benefits of Self-Ratification Scheme for fixation of Input-Output Norms extended to 2 star and above status holders in addition to Authorised Economic Operators at present.

Merchanting trade

To develop India into a merchanting trade hub, the FTP 2023 has introduced provisions for merchanting trade. Merchanting trade of restricted and prohibited items under export policy would now be possible. Merchanting trade involves shipment of goods from one foreign country to another foreign country without touching Indian ports, involving an Indian intermediary. This will be subject to compliance with RBI guidelines, and won't be applicable for goods/items classified in the CITES and SCOMET list. In course of time, this will allow Indian entrepreneurs to convert certain places like GIFT city etc. into major merchanting hubs as seen in places like Dubai, Singapore and Hong Kong.

Amnesty Scheme

Finally, the government is strongly committed to reducing litigation and fostering trust-based relationships to help alleviate the issues faced by exporters. In line with "*Vivaad se Vishwaas*" initiative, which sought to settle tax disputes amicably, the government is introducing a special one-time Amnesty Scheme under the FTP 2023to address default on Export Obligations. This scheme is intended to provide relief to exporters who have been unable to meet their obligations under EPCG and Advance Authorizations, and who are burdened by high duty and interest costs associated with pending cases. All pending cases of the default in meeting Export Obligation (EO) of authorizations mentioned can be regularized on payment of all customs duties that were exempted in proportion to unfulfilled Export Obligation. The interest payable is capped at 100% of these exempted duties under this scheme. However, no interest is payable on the portion of Additional Customs Duty and Special Additional Customs Duty and this is likely to provide relief to exporters as interest burden will come down substantially. It is hoped that this amnesty will give these exporters a fresh start and an opportunity to come into compliance.

Discontinuance of issue of LOC / LOU

On a review of extant guidelines, RBI directed that AD Category –I banks to discontinue the practice of issuing LOU / LOCs for trade credits for import into India with immediate effect.

Letter of Credit and Bank Guarantees including Standby for Trade Credits for imports into India may continue to be issued subject to compliance with the provisions contained in Department of Banking Regulation Master Circular No. DBR. No. Dir. BC.11/13.03.00/2015-16 dated July 1, 2015 on "Guarantees and Co-acceptances", as amended from time to time.

Reconciliation of Nostro entries – roles and responsibilities of branches

Reserve Bank of India has issued strict guidelines on reconciliation of Nostro Statement debits and credits which in our Bank is handled by Treasury Branch, Mumbai. While online reconciliation is the norm, the outer limit allowed by Reserve Bank of India is T+1 day for Nostro Statement debits and T+5 days for Nostro Statement credits.

Nostro Statement Debits

It is the responsibility of every branch sending a payment message (of any form) to ensure that appropriate credits to respective Holding Account of Treasury Branch is passed on for the **full amount of debit (including charges) on the same day of the transaction.**

All branches which send a payment message must, as a matter of routine, check the Nostro statement the very next morning to verify whether their remittance has been debited, and also for what amount.

If there is any variance on account of charges, the message originating branch must **immediately** debit the customer's account and remit to the respective Holding account of Treasury Branch **and inform the Reconciliation Department of Treasury Branch by email.**

If this is not done by 12 noon on the following forex business day, Treasury Branch shall originate a debit on the branch originating the message and recover the charges to ensure that no Statement Debit is pending beyond T + 1 day. **These debits must be responded by the remitting branch on the same day and no such debit must be pending at the time of EOD**.

If there is any duplication of efforts beyond the cut-off time of 12 noon on the next day, it shall be the responsibility of message originating branch to account for the exchange loss, if any, **with the permission of Zonal Office for incurring expenditure.** All such instances shall be reported to CO International Division by the 10th of the following month with reasons for duplication.

Nostro Statement Credits

Treasury branch shall make all out efforts to pass on credits to branches at the earliest, in any case not later than T+5 days where MT 103 messages are received by them. All FOBC items shall also be released well within the outer limit.

AD branches which receive MT 103 messages directly shall also apply funds immediately (subject to extant rules/practices) and in any case not later than T+5 days.

If for any reason branches are not able to apply funds (like incorrect particulars), a SWIFT message must be sent to the remitting Bank seeking full details with a rider that we will be constrained to return the funds by T+5 days if the required details are not sent immediately. The beneficiary may also be kept informed that we will return funds if the required details are not received by the deadline. Eventually, if the funds are to be returned, the branches may issue a debit authority to the nostro correspondent after ensuring from Reconciliation Department of Treasury Branch that the Statement Credits are still pending.

In respect of payment messages received by Treasury Branch, if funds cannot be applied in spite of best efforts where required details are not available, Treasury Branch shall issue a debit authority to the remitting bank. Before exercising this last option, it shall be ensured no claims under RDPA/FCNR are pending from the branches.

Simultaneously, branches must not allow claims under RDPA/FCNR to be pending for more than 4 working days. Any claim pending beyond this limit runs the risk of funds being returned.

FDI vs FII

Foreign investment in India can broadly be classified into two categories - Foreign Direct Investment (FDI) and investment made by foreign Institutional Investors (FIIs). In both of these cases, foreign money enters the Indian markets and fuels growth of economy, industries and capital market. However, with the number of increasing regulations in India, it is not easy for foreign money to enter the markets. There are strict guidelines laid down by market regulator SEBI (Securities and Exchange Board of India) for seeking approvals and documentation for FDI. Also, there are several restrictions laid down on the exit of this money. On the other hand, FII is mainly characterized as portfolio investment i.e. quick money entering the Indian capital market for short-term. Due to its short-term nature, the regulators have laid down fewer guidelines on FII than on FDI. But, the fact remains that foreign money cannot enter Indian markets without regulatory approvals.

Participatory Notes

Participatory notes also called P-notes are offshore derivative instruments with Indian shares as underlying assets. These instruments are used by foreign investors who are interested in betting on Indian securities but not keen on registering with the capital market regulator SEBI. Participatory notes are not used within the country. They are used outside India for making investment in shares listed in the Indian Stock Market. That these notes allow foreign high net worth individuals, hedge funds and other investors to put money in Indian markets without being registered with SEBI, thus making their participation easy and smooth. P-Notes also aid in saving time and costs associated with direct registrations and that is why they are also called offshore derivative instruments. Participatory notes are issued by brokers and FIIs registered with SEBI.

The investment is made on behalf of these foreign investors by the already registered brokers in India. For example, Indian-based brokerages buy India-based securities and then issue participatory notes to foreign investors. Any dividends or capital gains collected from the underlying securities go back to the investors.

Depreciation of Currency vs Devaluation of Currency

If a country's currency has depreciated it will mean that this country's money has less purchasing power in other countries because of the depreciation. Depreciation of currency happens in those currencies which are linked to floating exchange rate and it is likely to change / vary on day to day basis (in actual practice popular currency rates) change almost every few minutes / seconds). A floating exchange rate means that the global investment market determines the value of a country's currency. These countries allow supply and demand to determine the value of their currency relative to the currencies of other countries. Depreciation occurs when the forces of supply and demand cause the value of their currency to drop. To check the high volatility, as a prudent measure, almost all central banks of the respective countries try to influence the exchange rates through various means so as to curb such volatility, yet in the end it is the free market that determines the exchange rate of all the currencies linked to floating exchange rate. These days all major economies use a floating exchange rate. Thus, Appreciation / Depreciation (only marginal change) of all such currencies regularly occurs a number of times during the period market remains open. It is only in rare cases that currency depreciates or appreciates by a wide margin. Such changes happen if some major things happen on economic / political front of such country or in the global markets.

Devaluation of Currency

Devaluation of a currency happens in countries with a fixed exchange rate (or also where it is managed as floating rate). In a fixed-rate economy, it is the government that decides what its currency should be worth compared with that of other countries. In this case, usually the government pledges to buy and sell as much of its currency as needed to keep its exchange rate the same. The exchange rate can change only when the government decides to change it. If a government decides to make its currency less valuable, the change is called devaluation.

Impact of depreciation or devaluation of the currency on economy of the Country

Broadly speaking both has similar impact in the short term. Both of these (i.e. depreciation or devaluation) help the companies which are exporting goods as a drop in the value of the home currency allows the other countries to import goods at a cheaper price from the country whose

value has depreciated / devalued. Thus, exports from country whose currency has devalued / depreciated are likely to increase. On the other hand, the citizens will find it costly to buy goods which are imported from other countries as such goods will become costly. Thus, this is likely to benefit the economy to remain competitive in the international market. These events are good for companies that sell the goods produced from domestic raw material, and also to companies that export to other countries.
A drop in home currency exchange rate makes it more expensive for local people to buy goods from other countries, as import of such goods becomes costlier after depreciation / devaluation. Thus, they will either buy more goods manufactured by domestic companies or reduce their consumption of goods from abroad.

Long Term Impact of Depreciation or Devaluation of the Currency
Depreciation of the currency is a slow process and value of the currency automatically gets adjusted by the market forces. Thus, once the currency of a country has depreciated, the investors from other countries will see an opportunity and are likely to shift from other economies. This will help in boosting the economy which may in the long run even push back the value of the currency. On the other hand in case of devaluation, there is less trust in the economy and once currency is devalued, Government finds it very difficult to revalue the same by government dictate as there will be fear that such revaluation can backfire and put the economy in risk mode.

Foreign Direct Investment (FDI) in India —Insurance sector
The extant FDI policy for Insurance sector has since been reviewed by the Government of India and accordingly it has been decided to enhance the limit of foreign investment in insurance sector from 49 to 74 % under the automatic route subject to certain terms and conditions.

Online submission of Form A2 by the remitter
With a view to facilitating miscellaneous remittances and reducing paperwork associated with payment transactions, it has been decided that Authorised Dealer banks, offering internet banking facilities to their customers may allow online submission of Form A2. Besides, they may also enable uploading/submission of documents, if and as may be necessary, to establish the permissibility of the remittances under the extant rules or regulations framed under the Foreign Exchange Management Act, 1999 (FEMA). Remittances that do not require any documentation (e.g. certain transactions under the LRS) may be put through on the basis of the Form A2 alone. To start with, remittances on the basis of online submission alone will be available for transactions with an upper limit of USD25,000 (or its equivalent) for individuals and USD100,000 (or its equivalent) for corporate.

Settlement of Export/ Import transactions in currencies not having a direct exchange rate
As per the existing guidelines, export proceeds for exports from India and import payments for imports to India may be received / made in any mode in accordance with the directions issued by the Reserve Bank of India to the Authorized Dealers from time to time.

To further liberalize the procedure and facilitate settlement of export and import transactions where the invoicing is in a freely convertible currency and the settlement takes place in the currency of the beneficiary, which though convertible, does not have a direct exchange rate, it has been decided that AD Category-I banks may permit settlement of such export and import transactions (excluding those put through the ACU mechanism), subject to conditions as under:

a. Exporter/ Importer shall be a regular customer of the AD Bank,
b. Signed contract / invoice is in a freely convertible currency,

c. The beneficiary is willing to receive the payment in the currency of beneficiary instead of the original (freely convertible) currency of the invoice/ contract/ Letter of Credit as full and final settlement,
d. AD bank is satisfied with the bonafide of the transactions, and;
e. The counterparty to the exporter / importer of the AD bank is not from a country or jurisdiction in the updated FATF Public Statement on High Risk & Non Co-operative Jurisdictions on which FATF has called for counter measures.

RBI permits banks to open current account for export proceeds in addition to special rupee vostro accounts

The Reserve Bank of India (RBI) permitted banks to open additional current account for exports proceeds in addition to special rupee vostro accounts with a view to provide greater operational flexibility to exporters. To provide greater operational flexibility to exporters, banks maintaining special rupee vostro account as per the provisions of the RBI circular dated July 11, 2022 are permitted to open an additional special current account for its exporter constituent exclusively for settlement of their export transactions.

In July 2022, the RBI had asked banks to put in place additional arrangements for export and import transactions in Indian rupees in view of increasing interest of the global trading community in the domestic currency.

"In order to promote growth of global trade with emphasis on exports from India and to support the increasing interest of global trading community in INR, it has been decided to put in place an additional arrangement for invoicing, payment, and settlement of exports/imports in INR.

India has been trying to promote rupee trade following the Russia-Ukraine war and the sanctions imposed by the West. In July 2022, the Reserve Bank of India (RBI) decided to allow the settlement of India's international trade in rupee. Accordingly, authorised Indian banks must open and maintain special rupee vostro accounts of the partner trading country's banks.

These accounts keep the foreign bank's holdings in the Indian counterpart in rupees. When an Indian trader wants to make a payment to a foreign trader in rupees, the amount will be credited to this vostro account.

Similarly, in the reverse scenario, the amount to be paid to an Indian trader is deducted from the vostro account, and credited to the person's regular account.

Diamond Dollar Account (DDA) Scheme

Firms and companies dealing in purchase/ sale of rough or cut and polished diamonds / precious metal jewellery plain, minakari and/ or studded with/ without diamond and/ or other stones, with a track record of at least 2 years in import / export of diamonds / coloured gemstones / diamond and coloured gemstones studded jewellery / plain gold jewellery, and having an average annual turnover of Rs3 crore or above during preceding three licensing years, may open and maintain DDA with AD Category–I banks, subject to the following terms and conditions:-

a) The exporter should comply with the eligibility criteria stipulated in the Foreign Trade Policy of the Government of India, issued from time to time.
b) The DDA shall be opened in the name of the exporter and maintained in US Dollars only.
c) The account shall only be in the form of current account and no interest should be paid on the balance held in the account.

d) No intra-account transfer should be allowed between the DDAs maintained by the account holder
e) An exporter firm/ company shall be permitted to open and maintain not more than 5 DDAs.
f) The balances held in the accounts shall be subject to Cash Reserve Ratio (CRR) and Statutory Liquidity Ratio (SLR) requirements.
g) Exporter firms and companies maintaining foreign currency accounts, excluding EEFC accounts, with banks in India or abroad, are not eligible to open Diamond Dollar Accounts.

Permissible Credits:

i. Amount of pre-shipment and post-shipment finance availed in US Dollars.
ii. Realisation of export proceeds from shipments of rough, cut, polished diamonds and diamond studded jewellery.
iii. Realisation in US Dollars from local sale of rough cut and polished diamonds.

Permissible Debits:

i. Payment for import/ purchase of rough diamonds from overseas/ local sources.
ii. Payment for purchase of cut and polished diamonds, coloured gemstones and plain gold jewellery from local sources.
iii. Payment for import/ purchase of gold from overseas/ nominated agencies and repayment of US Dollars loans availed from the bank.
iv. Transfer to rupee account of the exporter.

Online Payment Gateway Service Providers (OPGSPs)

As per existing guidelines, AD Category-I banks have been permitted to offer the facility to repatriate export related remittances by entering into standing arrangements with Online Payment Gateway Service Providers (OPGSPs) in respect of export of goods and services
To facilitate e-commerce, it has been decided to permit AD Category-I banks to offer similar facility of payment for imports by entering into standing arrangements with the OPGSPs.

Booking of Forward Contract

All resident individuals, firms and companies who have actual or anticipated foreign exposures to book foreign exchange forward and FCY-INR option contracts upto USD 1,000,000 (USD 1 million) without any requirement of documentation on the basis of simple declaration as against the existing limit of USD250000. While the contracts booked under this facility would be normally be on a deliverable basis, cancellation and rebooking of contracts are permitted. Based on the track record of the entity, concerned AD Cat-I bank may call for underlying documents, if considered necessary, at the time of rebooking or cancellation.

Import of Goods into India – Evidence of Import

An importer has to submit as evidence of import the exchange control copy of the Bill of Entry for home consumption or the exchange control copy of the Bill of Entry for warehousing, in the case of 100% Export Oriented Units (EOUs); or Customs Assessment Certificate or Postal Appraisal Form as declared by the importer to the Customs Authorities.
With the establishment of Free Trade Warehousing Zones / SEZ Unit warehouses, imported goods can be stored therein, for re-export / re-selling purposes for which Customs Authorities issue Ex-Bond Bill of Entry. AD banks are advised to consider the Bill of Entry issued by Customs Authorities named as Ex-Bond Bill of Entry or by any other similar nomenclature, as evidence for physical import of goods. In cases where goods have been imported through couriers, the Courier Bill of Entry, as declared by the courier companies to the Customs Authorities, may also be considered as evidence of import of goods.

Bank Finance to Factoring Companies

As per the existing guidelines, Banks can extend financial assistance to support the factoring business of Factoring Companies who derive at least 75 per cent of their income from factoring activity and the receivables purchased / financed, irrespective of whether on 'with recourse' or 'without recourse' basis, form at least 75 per cent of the assets of the Factoring Company.

The latest amendment by RBI stipulates that an NBFC, for registering as NBFC-Factor shall ensure that its financial assets in the factoring business constitute at least 50 per cent of its total assets and its income derived from factoring business is not less than 50 per cent of its gross income. Accordingly, the criteria regarding asset and income of factoring companies eligible for bank finance as mentioned have also been revised to 50% from 75%.

Rupee Drawing Arrangement - Increase in trade related remittance limit

RBI has Increased the limit of trade transactions under the Rupee Drawing Arrangements (RDAs), from the existing Rs.5,00,000/- (Rupees Five Lakh only) per transaction to Rs. 15,00,000/- (Rupees Fifteen Lakh only) per transaction.

Liberalised Remittance Scheme (LRS)

AD banks may now allow remittances by a resident individual up to USD250,000 per financial year for any permitted current or capital account transaction or a combination of both. The permissible capital account transactions by an individual under LRS are:

- Opening of foreign currency account abroad with a bank
- Purchase of property abroad
- Making investments abroad
- Setting up Wholly owned subsidiaries and Joint Ventures abroad;
- Extending loans including loans in Indian Rupees to Non-resident Indians (NRIs) who are relatives as defined in Companies Act, 2013.

All the facilities (including private/business visits) for release of exchange/remittances for current account transactions available to resident individuals under Para 1 of Schedule III to the Foreign Exchange Management (Current Account Transactions) Rules, 2000, as amended from time to time, shall now be subsumed under the overall limit of USD 250,000.

However, for emigration, expenses in connection with medical treatment abroad and studies abroad, individuals may avail of exchange facility for an amount in excess of the overall limit prescribed under the LRS, if it is so required by a country of emigration, medical institute offering treatment or the university respectively. Gift in Indian Rupees by resident individuals to NRI relatives as defined in the Companies Act, 2013 shall also be subsumed under the LRS limit.

Simplification and Revision of Declaration Form for Exports of Goods/Software

To liberalize and simplify the procedure relating to export, the requirement of declaring the export of Goods /Software in the SDF in case of exports taking place through the EDI ports has been dispensed with, as the mandatory statutory requirements contained in the SDF have been subsumed in the Shipping Bill format. In case of export from non-EDI ports, the “Export Declaration Form” (EDF) which has been devised to declare all types of export of goods from **Non-EDI** ports and a common “SOFTEX Form” to declare single as well as bulk software exports. The EDF will replace the existing GR/PP form used for declaration of export of Goods.

Government of India has approved the extension of Interest Equalization Scheme for pre and post shipment Rupee export credit, with same scope and coverage, for one more year i.e. up to 30.06.2024.

Anticipated Exposure – An exposure to the exchange rate of INR against a foreign currency on account of current or capital account transactions permissible under FEMA, 1999 or any rules or regulations made there under, which are expected to be entered into in future. Therefore the amount of an anticipated exposure and the time by when it would crystalize may not be precisely known at the time of entering into a hedge contract II.

Contracted exposure – An exposure to the exchange rate of INR against a foreign currency on account of current or capital account transactions permissible under FEMA, 1999 or any rules or regulations made there under, which have already been entered into.
Hedging – The activity of undertaking a derivative contract to offset the impact of an anticipated or a contracted exposure.

Indian Bank is one of the few India based Banks to have opened a Branch at GIFT City as an off-shore Banking Unit within India. Though the Branch is located within India, for all purposes it can be treated as a Foreign Branch, permitted to offer Buyers Credit duly backed by SBLC / LC and also External Commercial Borrowing like any other Foreign Bank / Foreign Branch of any India Based Bank.

Since inception, IBU Gift City branch has been in constant touch with almost all important import customers of our bank and all AD branches, for offering the Buyer's credit to our customers. But it is often noticed that many of our Importer customers are availing the above mentioned services, from other Banks, without making an attempt to avail it from IBU Gift City branch. In this regard we would like to highlight that continuation of Non-Fund Based Limit in the domestic Branch and availing Buyers credit from our own Branch, provides a multi-pronged benefit for the Bank.

At present, customers are submitting physical Applications pertaining to Forex transactions to the respective Home branches. Branches are forwarding the same to FXCPC centre for further processing. FXCPC download these applications so received from branches and after compliance check, transaction is processed in IBPS/ Exim Bills / CBS followed with the release of SWIFT message wherever applicable.

To facilitate speedy submission of applications by customers to the branch, a facility is now provided through the Net-banking for the following.

a) Import LC Application
b) Application for Advance Remittance for import of Goods/Services
c) Foreign Bank Guarantee Application
d) Standby LC Application
e) Import Bill – Payment Release letter
f) Packing Credit Application (INR/FCPC)

NRE TERM DEPOSITS

- NRE term deposits should be opened for a minimum term of one year.
- No interest is payable on NRE term deposits pre-closed before one year from the date of opening of the said deposit.
- Interest rates on NRE deposits cannot be higher than those offered on comparable domestic rupee term deposits.

- Additional interest rate of one percent per annum payable to Bank's own staff is not available in respect of NRE/NRO deposits.
- If loan/overdraft has been availed against any NRE term deposit, pre-closure of such deposits is not permitted.

RECENT CIRCULAR & UPDATES since 01.01.2023

Circular 22103 dated 27.10.2023 & Circular no.22171 dated 28.11.2023

Renewal of Export Credit Insurance for Banks - Whole Turnover Packing Credit (ECIB-WT-PC) No.5029 and Whole Turnover Post-Shipment credit (ECIB WT- PS) No.119 by Export Credit Guarantee Corporation of India Ltd. (ECGC) - Insurance Policy period starting from 01.07.2023 to 30.06.2024

The current Export Credit Insurance for Banks ECIB (WT-PC) and ECIB (WT-PS) Insurance policies have been renewed for a further period of one year starting from 01.07.2023 to 30.06.2024 with Export Credit Guarantee Corporation of India Ltd. (ECGC).

IMPORTANT CHANGE IN THE ECGC POLICY RENEWED FROM 01/07/2023 to 30/06/2024.

Premium on WTPS advances decreased from the earlier 6.00 paise per Rs.100 per month to 5.50 paise per Rs.100 per month with effect from 01/07/2023 to 30/06/2024.

Premium on WTPC advances increased from the earlier 8.50 paise per Rs.100 per month to10.50 paise per Rs.100 per month with effect from 01/07/2023 to 30/06/2024.

Set Limit for WTPC advances decreased from Rs.12.08 Crore for 2022-23 to Rs.11.19 Crore for 2023-24

Set Limit for WTPC advances decreased from Rs.12.08 Crore for 2022-23 to Rs.11.19 Crore for 2023-24

Further, our Bank has opted for an enhanced cover scheme introduced by ECGC with the below mentioned features/ eligibility:

Eligibility Criteria: Manufacturers-exporters availing funds-based Export credit working capital limit up to Rs.50.00 core (total PC and PS limit per exporter/exporter –group) excluding Gems, Jewellery & Diamonds sector and Traders/Merchant exporters.

Percentage of cover: Scheme of enhanced cover of 90%:

ECGC had introduced the scheme of enhanced cover of 90% under ECIB(WTPC/PS) for the manufacturer exporter availing fund based export credit working capital limit up to Rs.50 Crore across banking industry (i.e. total of PC and PS limit per exporter/ exporter-group) excluding Gems, Jewellery & Diamond and traders/merchant exporter.

Applicable Interest Rate: export credit facilities covered under the scheme will attract interest rate as applicable to the AA or equivalent rated accounts.

<u>Maximum Liability (ML)</u>

WT-PC:
The maximum liability under the ECIB, i.e., the maximum amount up to which claims will be paid by
ECGC to Bank for Packing credit advances granted during the ECIB year (from 01/07/2023 to 30/06/2024) is Rs 600 Crore (Rupees Six Hundred Crore) only.

WT-PS:
The maximum liability under the ECIB, i.e., the maximum amount up to which claims will be paid by
ECGC to Bank for claims against Post shipment credit advances granted during the ECIB cover period (from 01/07/2023 to 30/06/2024) is Rs 350 Crore (Rupees Three Hundred Fifty Crore) only.

Discontinuing System of Payment of Advance Premium to ECGC by Branches:
Since our bank has now issued bank guarantee (in lieu of advance premium) to ECGC to cover our
packing credit and post shipment advances, branches have been instructed not to remit any advance premium to ECGC.

<u>Circular 22179 dated 02.12.2023</u>

<u>Revision of interest rates on FCNR (B) Deposits and RFC Term Deposits</u>
Our bank's interest rates on FCNR (B) and RFC Term Deposits stand revised as with effect from 04.12.2023 till further review.

<u>Circular 22170 dated 27.11.2023</u>
<u>Import of silver by Qualified Jewellers as notified by – The International Financial Services Centres Authority (IFSCA</u>
DGFT through its Notification No. 35/2023 dated October 11, 2023 has permitted Qualified Jewellers as notified by The International Financial Services Centres Authority (IFSCA) to import silver under specific ITC(HS) through IIBX, in addition to nominated agencies as notified by RBI (in case of banks) and DGFT (for other agencies)

Attention is invited to Reserve Bank of India (RBI) A. P. (DIR Series) Circular No. 04 dated May 25,2022 wherein banks have been permitted to remit advance payments on behalf of Qualified Jewellers as notified The International Financial Services Centres Authority (IFSCA) for eleven days for import of gold through India International Bullion Exchange IFSC Ltd(IIBX).

Circular 22164 dated 21.11.2023

IDPMS/ EDPMS (Import & Export Data Processing and Monitoring Systems) – Compliance to Regulatory Guidelines

Activity & Timeline prescribed by FEMA
Shipping Bill raised in the Bank's AD Code - Submission of Export Documents within 21 days from the date of Shipment.
Realization and repatriation of Export Proceeds - Proceeds to be repatriated into the country within 9 months from the date of Shipment.
Inward Remittance received in Advance for Exports- Exports to be effected within 12 months from the date of receipt of Advance Remittance.
Outward Remittance - Advances remitted against imports -Evidence of Entry of goods into the Country within 3 months from the date of remittance.
Bill of Entry raised in the Bank's AD Code - Outward remittance to be effected within 3 months from the date of Bill of Entry

Circular 22109 dated 31.10.2023

ECGC Revised Country Risk Classification of Israel & Malaysia

Israel
Present Rating and Type of Cover : A2, Open Cover Category.
Revised Group and Type of cover (effective immediately) : B1, Open Cover Category .

Malaysia
Present Rating and Type of Cover :A1, Open Cover Category.
Revised Group and Type of cover (effective immediately) : A2, Open Cover Category.

Circular 22065 dated 07.10.2023

ECGC Revised Country Risk Classification of Argentina
Argentina
Present Rating and Type of Cover: B2, Open Cover
Revised Group and Type of cover : C1, Revised Cover Category - I RCC-I

Circular 22056 dated 04.10.2023

Country Risk Management Policy – Changes in the risk rating of countries as of 29.09.2023

Bank has adopted the country risk ratings based on ECGC classification of countries. In this connection, refer to our circular FX - 15 / 2023-24 dated 07.07.2023 wherein the country risk

ratings were furnished. The country risk classification is being revised time to time based on ECGC Country Risk Classification List.
ECGC has published revised list Country Risk Classification vide letter ECGC/CUD/323/2023-24 dated 29.09.2023., as under:
1. Short-Term – Exposure/s of original maturity up to 360 days
2. Medium-and-Long-Term – Exposure/s of original maturity beyond 360 days
The poorer of the above two country risk ratings is to be considered for fresh exposure with immediate effect.

Circular 22042 dated 30.09.2023

Revision of interest rates on RFC – SB accounts for the period 01.10.2023 to 31.12.2023

USD
Existing rate : 5.14
Revised rate : 5.31

GBP
Existing rate : 4.94
Revised rate : 5.20

EUR
Existing rate : 3.22
Revised rate : 3.72

Circular no.22031 dated 29.09.2023

Amendment of Tax Collected at Source (TCS) on LRS

Reference is invited to circulars FX- 34 dated 23.10.2020, FX-19 dated 30.06.2021, FX-10 dated 16.06.2023, FX- 13 dated 30.06.2023 regarding applicability of Tax Collected at Source (TCS) on foreign currency outward remittance under Liberalised Remittance Scheme (LRS) of RBI.

In the Union Budget for Financial Year 2023-24 Government of India vide Finance Bill 2023 revised TCS applicable for Outward Remittances under LRS. Further, CBDT vide circular no.10 of 2023 dated 30.06.2023 has brought revision in TCS rates applicable for Inoperative PAN* Holders.

The revised TCS rates are effective from 1 st October, 2023 as detailed under:

“Specified Person” as per the relevant section of Income Tax Act is - a person who has not filed the returns of income for both of the two assessment years relevant to the two previous years immediately prior to the previous year in which tax is required to be collected, for which the time limit of filing return of income under sub-section (1) of section 139 has expired; and the aggregate of tax deducted at source and tax collected at source in his case is rupees fifty thousand or more in each of these two previous years. Provided that the specified person shall not include a non-resident, who does not have a permanent establishment in India.

If person is a specified person or Inoperative PAN* status is "Yes" then TCS rate will be for

- 1. Section 206CP (For the purpose of any education, if the amount being remitted out is a loan obtained from any financial institution as defined in section 80E) @ 5% instead of 0.5% of Remittance Amount in Excess of Rs. 7.00 lakh during FY

- 2. Section 206CQ (For the purpose of education, other than from sr no 1 or for the purpose of medical treatment.) @ 10% instead of 5% of Remittance Amount in Excess of Rs. 7.00 lakh during FY.

- 3. Section 206CQ (Any other purpose (LRS – Other than Education and Medical Treatment) @20% of the amount or the aggregate of the amounts in excess of Rs.7.00 lakh during FY

- **If the person is not specified person, then**

- 1. Section 206CP (For the purpose of any education, if the amount being remitted out is a loan obtained from any financial institution as defined in section 80E) @ 0.5% of the amount or the aggregate of the amounts in excess of Rs.7.00 lakh during FY
- 2. Section 206CQ (For the purpose of education, other than from sr no 1 or for the purpose of medical treatment.) @ 5% of the amount or the aggregate of the amounts in excess of Rs.7.00 lakh during FY.

- 3. Section 206CQ (Any other purpose (LRS – Other than Education and Medical Treatment) 20% of the amount or the aggregate of the amounts in excess of Rs.7.00 lakh during FY.

  *Inoperative PAN: Person who has been allotted PAN as on the 1st day of July, 2017, and who is eligible to obtain Aadhaar number shall intimate his Aadhaar number to the Income-tax Department. In case of failure to intimate the Aadhaar number, PAN allotted to the person shall be made inoperative. The CBDT has notified that all the consequences provided under the Income-tax Act for not furnishing, intimating or quoting PAN shall come into effect from 01-07-2023 if PAN becomes inoperative due to non-linking of it with Aadhaar.

  As regard to remittances from the Account of Tour Operator/ Agency, the responsibility of collection of applicable TCS (5% till Rs 7 lakh and 20% thereafter) is with applicant (the Account Holder) i.e. Tour Operator/Travel Agency. Before execution of any such transactions Branches/ FXCPCs' to ensure having obtained necessary documents with respect to collection of applicable TCS.

<u>Circular no : FX - 12/ 2023-24 dated 30.06.2023</u>

Remittance to International Financial Services Centre (IFSCs) in India under the Liberalised Remittance Scheme (LRS)

As per Reserve Bank of India (RBI) Master Direction 7/2015-16 dated January 01,2016 and updated time to time on Liberalised Remittance Scheme (LRS) wherein remittance facilities for current account transactions (viz. private visit; gift/donation; going abroad on employment; emigration; maintenance to closed relatives abroad; business trip; medical treatment abroad; studies abroad) available to resident individuals under the Liberalised Remittance Scheme (LRS) of USD 2,50,000 per Financial Year (FY).

Presently, remittances to International Financial Services Centre (IFSCs) under LRS can be made only for making investments in securities in terms of A.P. (Dir Series) Circular No. 11 dated February 16, 2021. Now, RBI through it's A. P. (Dir Series) circular no 06 dated June 22, 2023 has permitted that banks may facilitate remittances by resident individuals under purpose 'studies abroad' for payment of fees to foreign universities or foreign institutions in IFSCs for pursuing courses offered in Financial Management, Fin Tech, Science, Technology, Engineering and Mathematics as financial service.

<u>Circular no : FX – 11/ 2023-24 dated 21.06.2023</u>
Interest Equalization Scheme (IES) on Pre and Post Shipment Rupee Export Credit-Modifications

As per Circular FX-5/2022-23 dated 07.04.2022, FX-13/2022-23 dated 02.06.2022, FX-5/2023-24 dated 26.04.2023 on the captioned scheme, wherein the 'revised' guidelines on procedure and implementation of the captioned scheme have been advised.

Now DGFT has advised the following modifications under the Interest equalisation scheme: "The annual net subvention amount would be capped at Rs.10 crore per IEC in a given financial year. All disbursements made from 01.04.2023 shall be counted for an IEC for the current financial year". i.e. Maximum ceiling for claiming benefits under Interest Equalisation Scheme is Rs. 10 crore per exporter in a financial year.

<u>Circular no : FX – 8/ 2023-24 dated 05.06.2023</u>

LIBOR TRANSITION –CESSATION OF LIBOR ERA

With reference to CO: IBD circulars Fx-12 dated 03.06.2021 and Fx-74 dated 31.12.2021 on LIBOR transition wherein various guidelines regarding LIBOR transitions and replacement of LIBOR with respective ARR (Alternate Reference Rate) had been advised.

Accordingly, Bank has moved to the Alternative Reference Rate (ARR) regime from the LIBOR regime. However, since the rates for similar tenors were different for LIBOR and ARR, hence to meet the gaps "Credit Adjustment Spread" (transition spread) was added on all its fresh sanctions/renewal sanctions w.e.f 01.01.2022. This transition spread is being revised and advised separately to all the credit verticals, zonal offices and FGMOs on monthly basis.

ALCO has now approved the adoption of five-year historical mean difference approach for all fresh sanctions, disbursements and renewals towards the "Credit Adjustment Spread". Tenor wise "Credit Adjustment Spread" for different currencies as approved for the major currencies are as under:

Currency	**Tenor-Wise Credit Adjustment Spread**			
	1month	**3month**	**6month**	**12month**
USD	**11**	**26**	**43**	**72**
EUR	**4**	**10**	**15**	**30**
GBP	**3**	**12**	**28**	**46**
CHF	**0**	**0**	**7**	**20**
JPY	**0**	**0**	**5**	**17**

For the newly originated or refinanced RFR products, this "Credit Adjustment Spread" should be incorporated in the overall margin and will not be separately identified in the sanction ticket made under ARR. Now, Any FCY cannot be priced below the Applicable ARR + "Credit Adjustment Spread" + Commercial Margin Spread.

The revised "Credit Adjustment Spread" will be applicable for all fresh sanctions/renewal with effect from 08.06.2023, till further review.

<u>Circular no : FX – 6/ 2023-24 dated 27.04.2023</u>

Remittance to International Financial Services Centre (IFSCs) under the Liberalised Remittance Scheme (LRS)

With a view to deepen the financial markets in International Financial Services Centres (IFSCs) and provide an opportunity to resident individuals to diversity their portfolio, Reserve Bank of

India has permitted resident individuals to make remittances under LRS to IFSCs with certain conditions.

Reserve Bank of India vide its A. P. (Dir Series) circular no 3 dated 26th April 2023 has advised that on a review and with an objective to align the LRS for IFSCs set up under the International Financial Services Centres Authority Act, 2019 vis-à-vis other foreign jurisdictions, it has been decided to amend the directions under para 2 (ii) of the A.P. (DIR Series) Circular dated February 16, 2021 as – "Resident Individuals may also open a Foreign Currency Account (FCA) in IFSCs, for making the permissible investments under LRS''.

Thus, the condition of repatriating any funds lying idle in the account for a period up to 15 days from the date of its receipt is withdrawn with immediate effect, which shall now be governed by the provisions of the scheme as contained in the RBI Master Direction No. 7/2015-16 on Liberalised Remittance Scheme(LRS) as amended from time to time."

Circular no : FX – 5/ 2023-24 dated 26.04.2023

Interest Equalization Scheme (IES) on Pre and Post Shipment Rupee Export Credit – Modifications

With reference to Circular FX-4/2023-24 dated 15.04.2023 on the captioned, wherein the eligible Interest Equalization beneficiaries w.e.f 01.05.2023 were required to submit an Acknowledgement consisting of UIN which would be associated with a particular bank only for a ONE-TIME disbursement, also applicable where the credit is rolled over.

Now, DGFT has advised that aforesaid modification has been deferred in view of the operational challenges expressed by the beneficiaries of the scheme and the banks. In the view of the above, the modification in the guidelines is as under:

Existing Guidelines

"W.e.f 01.05.2023 the acknowledgement consisting of UIN would be associated with a particular bank only for one-time loan disbursement. Interest Equalization Scheme beneficiaries will submit a new UIN for each loan disbursement for each bank "

Modified Guidelines

"An acknowledgement consisting of UIN, valid for a financial year shall be unique to a specific bank. If a scheme beneficiary desires to take advantage of the benefits of the scheme from multiple banks, a new UIN must be provided for each bank."

Branches /FXCPCs /Offices are advised to take note of the above modified guidelines and bring this to the notice of all the eligible exporter-customers in order to avoid any sort of ambiguity regarding lodgment and submission of IES claim.

Circular no : FX –4/ 2023-24 dated 15.04.2023

Interest Equalization Scheme (IES) on Pre and Post Shipment Rupee Export Credit-Modifications

With reference to Circular FX-13/2022-23 dated 02.06.2022 on the captioned scheme, where in the 'revised' guidelines on procedure and implementation of the captioned scheme have been spelt out.

Now, in order to streamline the scheme and for capturing accurate data to map the benefits taken against a particular IEC and Bank, RBI has advised that:

"W.e.f 01.05.2023 the acknowledgement consisting of UIN would be associated with a particular bank only for one-time loan disbursement. Interest Equalisation Scheme beneficiaries will submit a new UIN for each loan disbursement for each bank"

i.e. Against each disbursement, exporter is required to generate separate UIN.

Circular no : FX –3/ 2023-24 dated 11.04.2023

Facilitation of Registration of AD Code and Bank Account Details through ICEGATE

Exporters are registering their Authorised Dealer (AD) Code and Bank Account(s) for purposes of remittances and availing export benefits respectively at every Customs station. Even though it is an one-time procedure, it requires physical interaction between the Customs and the trade and submission of physical documents by the latter. Being a manual process, it causes delays impacting exports besides requiring the exporters or their representatives to personally visit the Custom Houses. Same is the case for the process of updation of Bank Account details.

Recently the Central Board of Indirect Taxes and Customs (CBIC) has introduced a number of initiatives that leverage technology in order to enhance the efficiency of the Customs clearance processes. Among such initiatives, CBIC has developed one functionality, wherein the exporters are allowed to make an online request for registration/modification of their AD Code / Bank Account(s) and also electronically submit the Passbook copy or Bank Authorization Letter (Annexure A) through e-Sanchit.

This mechanism of obtaining confirmation from AD Banks/Branch by customs eliminates scope of exporters/importers getting AD code registered despite not being customers of our Bank and also weeds out any possible flow of incentives and other benefits to wrong entity or person. The aforesaid initiatives is expected to enhance trade facilitation and also make the process easier for the exporters and importers.

Circular no : FX –44/ 2023-24 dated 16.03.2023

Unhedged Foreign Currency Exposure(UFCE) Directions

RBI vide their Master Direction No: RBI/2022-23/131 DOR.MRG.REC.76/00-00-007/2022-23 dated 11th October 2022 has reviewed the extant guidelines and issued clarifications on certain queries/observations/issues of Banks will come into force w.e.f. 01.01.2023

The key changes/ amendments are as detailed below:

1. Definition of Entity: At present, banks are required to assess UFCE of all entities. As per existing definition the term ‘entities’ is defined as those entities which have borrowed from banks including borrowing in INR and other currencies irrespective of the size of the exposures/entities. On a review, the revised definition of entity states that “Entity” means a counterparty to which bank has exposure in any currency. Exposure shall mean all fund based and non-fund based exposures.

2. Exemption from UFCE guidelines: Banks shall have the option to exclude the following exposures from the calculation of UFCE (i) Exposures to entities classified as sovereign, Banks and individuals. (ii) Exposures classified as Non-Performing Assets. (iii) Intra-group foreign currency exposures of Multinational Corporations (MNCs) incorporated outside India. Provided that the bank is satisfied that such foreign currency exposures are appropriately hedged or managed robustly by the parent. (iv) Exposures arising from derivative transactions and/or factoring transactions with entities provided such entities have no other exposures to banks in India.

3. Alternative method for exposure to smaller entities: Banks shall have the option to follow an alternative method for exposures to smaller entities which are having foreign currency exposures and are not in position to provide information on their UFCE. Under this alternative method, banks shall apply an incremental provisioning of 10 bps over and above extant standard asset provisioning instead of computing incremental capital and provisioning requirements. For this purpose, smaller entities are those entities on which total exposure of the banking system is at Rs.50 crore or less.

4. Incremental Capital Requirement: At present, Banks apply incremental capital and provisioning requirements to all exposures to such entities as under:

Potential Loss / EBID (%)	**Incremental Provisioning Requirement**	**Incremental Capital Requirement**
Up to 15 per cent	0	0
More than 15 per cent and up to 30 per cent	20bps	0
More than 30 per cent and up to 50 per cent	40bps	0

More than 50 percent and up to 75 per cent	60bps	0
More than 75 per cent	80bps	25 percentage point increase in the risk weight

As per the existing practice, the incremental capital requirement for exposures falling in the last bucket, is provided as 25 per cent increase in risk weight.

Now, it is clarified that the incremental requirement is 25 percentage points increase in risk weight. For example, if an entity which otherwise attracts a risk weight of 50% falls in the last bucket, the applicable risk weight would be 75% (50%+25%).

Banks shall calculate the incremental provisioning and capital requirement at a minimum interval of quarterly basis.

For projects under implementation and the new entities, banks shall calculate the incremental provisioning and capital requirements based on projected average annual EBID for the three years from the date of commencement of commercial operations. Provided that the incremental capital and provisioning requirement shall be subjected to a minimum floor of 20 bps of provisioning requirement.

In cases where the bank is not able to get sufficient data to assess UFCE and compute incremental capital and provisioning requirements except for the smaller entities covered under the alternative method as discussed above, the bank shall take a conservative view and place the exposure to the entity at the last bucket which requires incremental provisioning of 80bps and a 25 percentage point increase in risk weight.

The incremental provision requirement for UFCE shall be treated as general provision for disclosures and inclusion in Tier 2 capital

5. Consortium Lending:
a) In the case of consortium / multiple banking arrangements, the consortium leader / bank having the largest exposure shall have the lead role in monitoring the unhedged foreign exchange exposure of entities. Note: Banks shall put in place a system for information sharing and dissemination in terms of circular DBOD.No.BP.BC.94/08.12.001/2008-2009 dated December 8, 2008 on 'Lending 3370362::20.12.2023 Page 3 of 3 under Consortium Arrangement / Multiple Banking Arrangements', as amended from time to time

6. Applicability for Overseas Branches/ Subsidiaries: The provisions of these Directions shall be applicable to overseas branches/subsidiaries of banks subject to the following:

a) With respect to the exposure to entities incorporated outside India, information on UFCE shall be obtained from such entities on a quarterly basis based on internal audit or self-declaration and the requirement of certificate from statutory auditors on annual basis, may not be insisted upon. In cases where bank is not able to obtain information on UFCE from concerned entities, then the Bank shall take a conservative view and place the exposure to the entity at the last bucket which requires incremental provisioning of 80bps and a 25 percentage point increase in risk weight.

b) Banks shall compute the potential loss due to UFCE by replacing INR with the domestic currency of that jurisdiction and USD with the foreign currency (i.e., currency other than domestic currency of that jurisdiction) in which the entity has maximum exposure.

Systems and Controls in line with RBI directions: In line with RBI directions internal limit for unhedged foreign currency exposure is to be prescribed. Accordingly vide Circular No: ADV-325/2022-23 dated 09.03.2023 on "Modifications to Credit Policy" an Internal ceiling for UFCE is capped at 30% of Total Foreign Currency Exposure of the Customers.

Circular no : FX –43/ 2023-24 dated 03.03.2023

Foreign Contribution (Regulation) Act 2010 – process flow for crediting back maturity amount of FCRA term deposits to FCRA SB account

Attention is invited to circular No FX-49 dated 28.12.2020, wherein the amendments made in the foreign contribution (regulation) amendment act have been advised. Toward this, the following amendments were made in the CBS to comply to the guidelines/directions of MHA and RBI.

The credit to the accounts were so programmed so as to allow credit through RTGS/NEFT ONLY from the SBIN00006919SBI New Delhi Main Branch. ALL OTHER CREDITS HAVE BEEN BLOCKED /RETURNED TO SENDER.

Circular no : FX –41/ 2023-24 dated 13.01.2023

Shifting of processing Non-Trade Outward Remittances and Inward Remittances from CBS to Eximbills Upgraded Version (V5)

Reference is invited to circular no FX34/2019-20 dated 31.12.2019 regarding centralized processing of Non Trade Outward Remittances, FX34/2021-22 dated regarding processing of Non – Trade Inward Remittances and FX51/2021-22 dated 22.11.22 regarding subsequent changes in processing of Non-Trade Inward Remittances issued by CO: IBD for ensuring smooth handling of forex operations in compliance with the extant guidelines applicable of FEMA, RBI and KYC Norms.

For ensuring minimum turnaround time (TAT) for processing of remittance related transactions, to ensure strict compliance of extant guidelines and to integrate documents scanning portal for processing of transaction in a single platform it has been decided to shift processing of Inward and Outward remittances modules from CBS to Eximbills Version V5. Eximbills Upgraded Version V5 is a combined package for handling Trade Transaction of both Inland and Foreign Exchange which will be available for all branches. In the upgraded version of Eximbills a new module named "Remittances" has been introduced for handling foreign exchange related Inward and Outward Remittance transactions.

ADMIN- 118/2021-22 dated 13.12.2021
Customer Due Diligence for transactions in Virtual Currencies (VC)

In a recent communication RBI has directed to the bank to enhance the due diligence processes related to the customers who are dealing in virtual currency including BITCOIN. Branches are advised to be more vigilant and to ensure the followings:-

- Entities dealing with so called virtual currencies and their customer maintaining account in the bank, should be classified as "High Risk" customer and Enhanced Due Diligence (EDD) process as prescribed in the KYC/AML Policy/SOP of the Bank should be conducted for these customers without any deviation.

Full compliance of PML Act/rules KYC/AML/CFT policy of the Bank should be ensured for any such relationship which includes high degree of vigilance in identifying the Beneficial Owner (and if necessary, Ultimate Beneficial Owner), considering the transactions in their accounts

FX - 27 / 2021-22 dated 09.07.2021
Amendment of Importer-Exporter Code (IEC) related provisions under Foreign Trade policy

Directorate General of Foreign Trade vide notification no 11/2015-2020 dated 01.07.2021 revises the provision in para 2.05 (d) of Foreign Trade Policy 2015-20 as under:
An IEC holder has to ensure that details in its IEC is updated electronically every year, during April-June period

FX - 36/ 2021-22 dated 21.09.2021
Introduction of "Forex Services" Category in Online Support and Redressal System (OSRS)

To support the Branches in improving operational efficiency, 'certain' modifications have been made in the existing portal 'Online Support and Redressal System'.

Introduction of new Sections: 'Forex Services' have been introduced as a new category in OSRS portal with the following sections are added.

1. FXCPC Chennai
2. FXCPC Mumbai
3. SWIFT
4. Treasury
5. Other Forex Service – (Not covered elsewhere) – Relating to CO IBD alone –Policy matters etc.

RISK MANAGEMENT

Risk implies future uncertainty about deviation from expected earnings or expected outcome. It is an unexpected event. Risk is the possibility that an outcome will not be as expected, specifically with reference to returns on investment in finance. It is therefore the probability of loss that may arise due to uncertainties. Risk is that force or cause which adversely affects the existence, stability and growth of a system or process resulting in loss or failure or abrupt deviation from its set objectives. Such causes or risk factors may either be known or uncertain. Risk management is the process of identifying, assessing and controlling threats to an organization's capital and earnings. It is the systematic process of identifying the risks the business faces, evaluating them according to the likelihood of their occurrence and the damage that could ensue, deciding whether to bear the risk, avoid the risk, control the risk or insure against the risk (or any combination of these four). Risk management therefore involves three steps: 1) Identification of all types of risks the business can face and thus prepare a Risk Profile, 2) Measurement of these risks, and 3) Taking measures to control and monitor risk.

Basel – I:

Banks are at the epicenter of financial crisis that precipitated global economic crisis. In order to provide stability to the international banking system Central Bank Governors of G -10 countries constituted the Basel Committee on Banking Supervision (BCBS) in 1974 to provide a forum for regular co-operation on banking supervisory matters. The objective of constituting the BCBS was to enhance the understanding of key supervisory issues and quality improvement of banking supervision worldwide. In 1988, the Basel Committee on Banking Supervision published a set of minimal capital requirements for banks that mainly focused on credit risk. It was called as Basel-I accord. Basel committee recommended 8% of risk weighted assets, simply known as CAR (Capital adequacy ratio). In India it was implemented on the recommendations of Narasimhan Committee, effective from March 1993 and based upon second report of 1998, CAR of 9% was stipulated by Reserve Bank of India in India. Risk weights for investments in government securities, government guaranteed advances, FX open position, provision for standard assets, change in classification norms etc. were also implemented from 1998.

In the beginning, credit risk was included in Basel-I. Subsequently, market risk was included from 1996 on account of failure of Barring Bank.

Why the Need for Basel – II:

Basel – I suffered from many limitations and need for introducing further reforms were felt. In Basel I, the same risk weight was prescribed to all the accounts belonging to a particular category irrespective of risk involved in different accounts. As a result, the risk weight assigned to a highly rated account remained same to that assigned for an asset with far inferior rating. As a result, the regulatory capital requirement stipulated by the accord was not in line with the actual risk profile of the portfolio of assets of the bank. The Basel II accord attempted to eliminate this anomaly by prescribing risk weight depending on the degree of credit risk. The risk weights are given depending upon the credit rating of each asset. Further, Basel II also prescribed capital for market risk and operational risk undertaken by a bank.

The second of the Basel accords, published in 2004, was designed to create an international standard on Banks' capital requirements. This committee is best known for its International Standards on capital adequacy and primarily addresses the principles of banking supervision and the agreement on cross- border banking supervision. Basel-II came into force in India as under

- First Phase-2008: For Foreign banks in India and Indian Bank with foreign presence.
- Second Phase-2009: Other Scheduled Banks.
- 2014: Complete implementation.

It is applicable for all commercial banks, excluding local area banks and RRBs.

Three pillar approach:

Basel II not only provides for the minimum capital requirement, it also provides for Supervisory Review by the central bank to ensure the adequacy of the capital. Lastly, it stipulates that banks should make adequate market disclosures regarding their risk profile and capital requirement.. In other words, Basel II rests on three pillars viz.

- **Pillar I: Minimum Capital Requirement,**
- **Pillar II: Supervisory Review of capital adequacy**
- **Pillar III: Market Discipline.**

The minimum capital required for Indian Banks is 9% of credit risk, market risk and operational risk. It talks about three approaches for credit risk viz., standardized, foundation internal rating based and advanced internal rating based. RBI has directed use of standardized approach by Indian Banks.

Our Bank is using undernoted techniques for measuring risks

- Credit Risk: Standardised Approach
- Market Risk: Standardized Duration Approach.
- Operational Risk: Basic Indicator Approach

Basel – III:

In spite of the preventive safeguards of Basel I & II, the world banking system went into a tailspin during the early 2008 ushering in a financial crisis that shook the world economy. This has raised a serious issue of moral hazard. Since then the BCBS had begun an international consultative process among banking regulators to examine the issue and to work out a new international regulatory architecture that may stand better chance of averting recurrence of another banking crisis and broadened framework of tighter standards to restrict the banks from indulging in unhealthy and imprudent practices which could have great cascading effects on the economies around. With the solemn aim never to see the repeat of the 2008 Crisis, the BCBS, through Basel III, put forward norms aimed at strengthening both sides of balance sheets of banks viz. enhancing the quantum of common equity, improving the quality of capital base, creation of capital buffers to absorb shocks, improving liquidity of assets, optimizing the leverage through Leverage Ratio, creating more space for banking supervision by regulators under Pillar II and bringing further transparency and market discipline under Pillar III. Needless to stress, banks whose balance sheets can absorb the losses with resilience, will stand in the face of a financial Tsunami.

The Basel committee finalized the Basel III guidelines in December 2010, following which Reserve Bank of India issued guidelines on the implementation of BASEL III Capital Regulations on May 2, 2012. Implementation of these guidelines will commence on April 1, 2013 and the process was to be completed by March 31, 2019. The Basel III guidelines improve the ability of banks to withstand periods of economic and financial stress by implementing more stringent capital and liquidity requirements.

As a percentage of RWA	***BASEL-III***	***BASEL-II***	***BASEL-I***
*CET-1 **(A)** or equity Capital*	*5.5%*		
*Capital Conservation Buffer **(B)***	*2.50%*		
Total Equity Capital Ratio **(C=A+B)**	*8.00%*		
Additional Tier-1 or Non Equity Tier-1 Capital Ratio **(D)**	1.50%		
Total Tier-1 Capital Ratio +CCB **(E=C+D)**	9.50% (7%+2.50%)		
Total Tier-II capital Ratio **(F)**	2.00%		
Total Capital Ratio(E+F)	**11.50%$**	**9.00%**	**9.00%**

$ = In view of the continuing stress on account of COVID-19, it was decided to defer the implementation of the last tranche of 0.625 per cent of the Capital Conservation Buffer (CCB) from September 30, 2020 to April 1, 2021. Again RBI vide its circular dated 15.02.2021, had deferred the same to 01.10.2021.

Features of Basel III Accord

- **Capital requirements -** As per Basel III norms, the key capital ratio has been raised to 9% of risky assets,
- **Tier 1 Capital requirements:** Under the new rules, the mandatory reserve (known as Tier 1 capital) has been raised to 7% by 2019.

Definition of capital Elements:

Tier-1: Includes only permanent shareholders equity , disclosed reserves or other surplus viz: Share premium, retained profit, general reserves and legal reserves.

Common Equity Tier-1(Amount Contributed by Owner)

a) Paid up Capital.

b) Share premium(Stock Surplus) resulting from issue of common shares.

c) Disclosed Free Reserves.

d) Bal in Profit and Loss Account.

e) Revaluation reserves(At 55% discount)

Additional Tier-1 Capital(Amount borrower from outside on perpe

a) Perpetual Debt Instrument(IPDI)

b) Perpetual Non Cumulative Preference Shares(PNCPS)

c) Share Premium (Stock Surplus) on issue of AT-1 instruments.

Tier-2(This amount is borrowed from outsider but need to be returned. It is not perpetual.

a. General Provision and Loan loss reserves(For banks using Standardized Approach) : Provision for loan loss reserves held against future, presently unidentified losses which are freely available to meet losses which subsequently materialize will qualify for inclusion within Tier-2 Capital.

b. General Provision on Standard assets, floating provision and incremental provision in respect of unhedged foreign currency exposure , provision held for country exposure , investment reserve account, excess provision which arise on account of sale of NPA and countercyclical provision buffer. The amount of such provision or reserves will be admitted as Tier-2 capital upto maximum of 1.25% of the total credit weighted assets under the standardized approach.

c. Hybrid(Debt/Equity) capital instruments: These includes a range of instruments which combine characteristics of equity capital and of debt.

- Unsecured, subordinated and fully paid.
- No option in the hand of holder.
- Available to participate losses of the Bank.
- The interest payment may be deferred.

Introduction of a Capital Conservation Buffer.

- The Capital Conservation Buffer is an additional reserve buffer of 2.5% of Risk weighted Assets, to "withstand future periods of stress", This buffer is introduced to meet one of the four key objectives identified by the Committee in December 2009 Consultative Document "Strengthening the resilience of the banking sector"; conserve enough capital to build buffers at individual banks and the entire banking sector which can then be used in times of stress. It was introduced in aphased manner with four tranche of 0.625% every quarter. The last tranche of 0.625% was to be implemented by 31.03.2019. In view of the continuing stress on account of COVID-19, it was decided to defer the implementation of the last tranche of 0.625 per cent of the Capital Conservation Buffer (CCB) to April 1, 2021. Again RBI vide its circular dated 15.02.2021, had deferred the same to 01.10.2021. From December 2021 quarter, Banks have to ensure minimum 2.50% of Capital Conservation Buffer. The purpose of the conservation buffer is to ensure that Banks maintain a buffer of capital that can be used to absorb losses during periods of financial and economic stress. While banks are allowed to draw on the buffer during such periods of stress, the closer their regulatory capital ratios approach the minimum requirement, the greater the constraints on earnings distributions.

Introduction of Countercyclical Buffer(CCCB).

- According to the new rules, local regulators are not only responsible for controlling Banks' compliance with the Basel requirements but also for regulating credit volume in their national economies .During the Boom, the loans made are generally poorer in quality and require more provision. The loans made during recession are of superior quality as banks are very careful and hence need less provision.

<u>Objective of Counter Cyclical Buffer</u>

- It is required by Bank's to build up a buffer of capital in good times which may
  be used to maintain flow of credit in difficult times.
- It helps to achieve the goal of restricting the Banking sector from indiscriminate lending in the period of excess credit growth.
- Additional CET-1 ranging from 0-2.50% may be required over 11.50%. CCCB may be pre announced with a lead time of 4 quarters.

- **<u>Implementation of Counter Cyclical Capital Buffer:</u>** RBI has the power to instruct banks to build this CCCB. It has not been activated by RBI.

<u>Liquidity Risk Measurement</u>.

Basel III introduces a new instrument for liquidity risk measurement which is Liquidity Coverage Ratio (LCR). It is designed to ensure that a bank maintains an adequate level of unencumbered, high-quality assets that can be converted into cash to meet its liquidity needs for a 30-day time horizon under an acute liquidity stress scenario specified by supervisors. The standard requires that the ratio be no lower than 100%. To ensure that investment banking inventories, off balance sheet exposures, securitization pipelines and other assets and activities are funded with at least a minimum amount of stable liabilities in relation to their liquidity risk profiles the new Accord introduces Net Funding Stability Ratio (NFSR). It is defined as the ratio, for a bank, of its "available amount of stable funding" divided by its "required amount of stable funding". **The standard requires that the ratio be no lower than 100%.**

<u>Net Stable Funding Ratio (NSFR):</u>

The NSFR is defined as the amount of available stable funding relative to the amount of required stable funding. This ratio should be equal to at least 100% on an on-going basis. "Available stable funding" is defined as the portion of capital and liabilities expected to be reliable over the time horizon considered by the NSFR, which extends to one year. The amount of such stable funding required of a specific institution is a function of the liquidity characteristics and residual maturities of the various assets

$$\frac{\text{Available Amount of Stable Funding}}{\text{Required Amount of Stable Funding}} => 100\%$$

held by that institution as well as those of its off-balance sheet (OBS) exposures

<u>Available Stable Funding (ASF)</u>

ASF is defined as the portion of capital and liabilities expected to be reliable over the time horizon considered (viz. up to 1 year) by the NSFR. The amount of ASF is measured, based on the broad characteristics of the relative stability of an institution's funding sources, including the contractual maturity of its liabilities and the differences in the propensity of different types of funding providers to withdraw their funding.

Required Stable Funding (RSF)

RSF is the amount of stable funding required based on the liquidity characteristics and residual maturities of various assets held by that institution as well as those of its off- balance sheet (OBS) exposures. RSF is computed by multiplying the outstanding amount of the specified component with the prescribed and associated RSF Factor.

RBI vide its circular dated 05.02.2021 deferred the implementation of NSFR till 01.10.2021.From December 2021 quarter, Banks have to ensure to comply with NSFR norms.

Leverage ratio

The leverage ratio defines as the ratio of capital (Tier-1) to total exposure (On Balance sheet +Off Balance sheet). Capital means Tier-1 as per Basel-III

Leverage Ratio: Capital/Exposure measure

Leverage Ratio

1. As per Basel –III=>3.00%
2. As per RBI, for Indian Bank=>3.50
3. For DSIB(Domestically Systematically Important Bank)=>4.00%

Global and Domestic Systemically Important Banks (D-SIBs)

1. These are those Banks whose failure would have cascading effect on the whole Financial System which in other words means Banks that are considered to be too big to fail.
2. As per norms, these Banks will have to set aside more capital for their continued operation.
3. At present SBI,ICICI and HDFC Banks are D-SIBs and require additional 0.60%,0.20% and 0.20% of their RWA.
4. This additional capital has to be in the form of Common equity Tier-1 Capital

Enhancement in loss absorption capacity of capital of internationally active banks –

A “write off clause” is proposed to be introduced in all non-common Tier I and Tier II instruments issued by internationally active banks. The main purpose of the contingent capital clause is to ensure that holders of capital bear the loss in a stress scenario before public money is infused and are not its (public funds) beneficiaries and to reduce the possibility of public support for a bank under stress.

Forensic Audit

Forensic Audit is an examination and evaluation of a firm’s or individual’s financial information for using as an evidence in a court. Forensic audit should be compulsorily be conducted in respect of NPA accounts with book balance of Rs50.00crore and above and further action is to be initiated immediately wherever irregularities are observed(NPA management policy page 57) . A forensic audit can be conducted in order to prosecute a party for fraud, embezzlement or other financial claims. In addition, an audit may be conducted to determine negligence or even to determine how much spousal or child support an individual has to pay. Forensic Auditing is a specialization within the field of auditing. Therefore, Forensic Auditing can be defined as the application of auditing skills to situations that have legal consequences. Forensic auditors often provide expert testimony during trial proceedings in the courts. Forensic auditing also refers to investigation of a fraud or presumptive fraud with a view to gathering evidence that could be presented in the court of law. Most large audit and accounting firms have a forensic department. Forensic Auditing can be used either by a corporate management or by statutory or other auditors to carry out general reviews of activities to highlight risks arising either out of fraud or from any other source with the purpose of initiating focused reviews of particular areas, targeting specific threats to the organization.

The objective of the forensic audit is to find whether or not a fraud has taken place in the financial affairs of an organization. It involves examination of voluminous records and witnesses as permitted by law. Proper documentation is vital in substantiating the findings. The outcome shall focus on the following in case of frauds:

- Proving the loss and the quantum of loss
- Proving the responsibility for the loss
- Proving the method / motive
- Establishing guilt of person / persons
- Identifying other beneficiaries
-

What is risk in bank?

Risk can be defined as the potential loss from a banking transaction, which a Bank can suffer due to variety of reasons.

Can we stop the risk aspects in bank or we should stop banking?

Risk is inherent to any kind of business and so in banking business. So long as we will be doing banking business risk is a part of it. Again, risk cannot be eradicated completely. It can be mitigated through different tools.

Then what are the tools for the risk control?

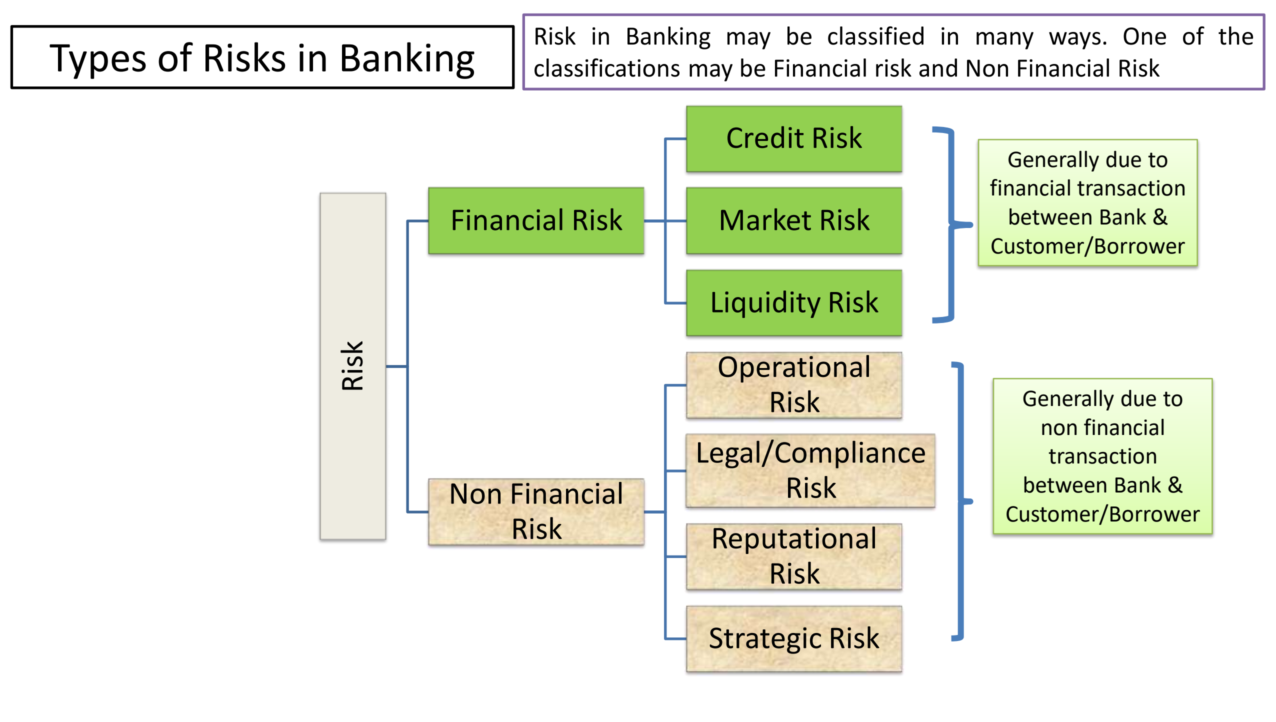
Tools for risk control are -

1. Diversification of the business
2. Insurance and hedging
3. Fixation of exposure ceiling
4. Transfer of risk to another party at right time
5. Securitisation and reconstruction

What is risk management?

Risk management is a process through different functions such as Risk identification or naming, risk measurement, evaluation or quantification, risk control or risk mitigation and lastly monitoring and reviewing of risk.

What are the different types of risk in banks?



During the process of banking business, Banks are exposed to different types of risk such as credit risk, market risk, operational risk, liquidity risk, strategy risk, reputational risk etc.

What is the difference between interest rate risk and market risk?

Interest rate risk is a component of market risk. The other components of market risks are foreign exchange risk, equity risk and commodity risk.

What is Basis risk?

The interest rates on different assets or liabilities may change in different magnitude which is called basis risk. For example in a declining interest rate scenario, the rate of interest on assets may be declining in a different magnitude than the interest rate on the corresponding liability, which may create variation in interest income.

What are the other names of market risk and credit risk?

Market risk is also known as price risk and the other name of credit risk is default risk.

What is the objective of Credit risk policy of our bank?

Adhering to the guidelines/policies related to credit risk management, as enunciated in the Bank's internal guidelines and issued by Reserve Bank of India.

To ensure that the operations are in line with the expectations of the management and the strategies of the top management are translated into meaningful directions to the operating level.

What is the objective of operational risk policy of our bank?

The objective of operational risk management is reduction of operational losses by adopting various risk mitigating strategies and to enhance stakeholder value by improving Bank's competitive advantage.

What is strategy risk?

It arises on account of adverse business decision, improper implementation of decisions etc.

What is reputational risk?

It is the risk that arises from negative public opinion. It can expose an Institution to litigation, financial loss or decline in customer.

What is operational risk?

It is the risk that arises due to failed internal processes, people or systems or from external events.

What is liquidity risk?

Risk arises when the banks are unable to generate cash to cope with the decline in deposits or increase in assets.

New Business Group

For Fresh Connections:

1. For proposals with External Rating BBB & above separate approval through NBG is not required.
2. NBG approval for Externally BB & above rated MSME/ Agri borrower is not required under following cases:
    2. i) The applicant is having CMR score in the range of 1-4.
    2. ii) In case of CMR -5, exposure is collaterally secured by 100%.

1. NBG approval is not required for MSME/ Agri borrower with exposure of Rs 10 Cr & above and less than Rs 25 Crore fulfilling the criteria 2.i) & 2.ii) .

4. In all other cases, approval of various other NBG committees for exposure of Rs 10 Cr & above is required as under:

<table>
<tr><th>Criteria</th><th>Sanctioning Authority</th><th>NBG approving Committee</th></tr>
<tr><td rowspan="2">1. External Rating BB & Below (-in applicable cases)*
2. Unrated (For accounts eligible for External rating)**
3. Exposure falling under Stress Sectors (Sectors identified by RMD on quarterly basis and updated on RMD helpdesk. Sub sectors as exempted from stress sector shall be excluded)</td><td>Up to COLCC-GM</td><td>COLCC-ED</td></tr>
<tr><td>COLCC- ED & above</td><td>Respective Sanctioning Authority $</td></tr>
<tr><td colspan="3">$CAC will be competent authority for MC proposals

** Excluding-
1. PSUs &
2. Exposures to be taken in unrated SPVs where promoter/ sponsor company is externally rated as A & above</td></tr>
</table>

"For Existing account:

For enhancement proposals in all existing accounts with rating (Internal and External (wherever applicable in terms of policy guidelines) above investment grade (BBB & above) & MSME / Agri Borrower (Internal Rating – IB BBB and having External rating BB & above - in applicable cases) NBG approval is not required"

In all other cases, NBG Requirement of existing accounts with below investment grade rating for enhancement of Rs 10 Cr & above will be as under:

Criteria	Sanctioning Authority	NBG approving Committee

Internal or External Rating BB & Below (in applicable cases)	Up to COLCC-GM	COLCC-ED
	COLCC- ED & above	Respective Sanctioning Authority $
$CAC will be competent authority for MC proposals: NBG approval for fresh as well as existing connection for exposure under LRD (IB Rental Scheme with ring fencing of rental cash flows) falling under CO level Committees (COLCCGM & above) is not required. Remaining guidelines will remain as it is as mentioned in Credit Policy.		

New Business under consortium/Multiple banking arrangement: In case of credit limits aggregating to Rs 10 Crore or less, efforts should be made to bring the account under sole banking arrangement with our Bank provided the financials of the unit are sound. In respect of borrowers enjoying credit facilities of above Rs 10 Crore under multiple banking arrangements, efforts should be made to finance under a formalized consortium arrangement. If such consortium arrangement is not possible, it shall be ensured that there is adequate information-sharing among the banks involved as per the revised guidelines issued on Multiple Banking arrangement. Multiple Banking Arrangements for borrowers having exposure of Rs. 250 Crore or more from banking system should be discouraged and all efforts should be made to bring it under consortium. However, any fresh exposure to borrowers having fund based and non fund based limit of Rs.500.00 Crore& above from the banking system (other than specifically permitted categories of advances in this policy) shall be under Consortium Arrangement. NBFCs with external rating of A and above , PSUs and MFIs are exempted.The fresh exposure to be assumed by our bank shall be preferably minimum of 10% of the total exposure (fund and non fund based). . ***Administrative clearance for Relaxation to this should be obtained from next higher authority for proposals falling up to COLCC (GM) Power. COLCC(ED) and above can permit this relaxation falling under their respective sanctioning powers.***

Verification of Certificates/Tax Audit Report through website of UDIN and MCA

1. Wherever certificates from the Company Secretary / CA/ Cost Accountant/Stock Auditors are submitted, the Institute registration number and full address should be obtained

2. Genuineness of Audited Balance Sheet/Any other document certified by a CA to be established through verification of UDIN from Unique Document Identification Number Portal introduced by Institute of Chartered Accountants of India (ICAI)

3. ROC site is also to be verified in all the cases where the filings by the borrowers is mandatory and record of such verifications shall be kept on the records.

4. *Branches to utilize the Unique Document Identification Number Portal introduced by Institute of Chartered Accountants of India for the same.*
5. While entrusting the job of Stock Audit, Concurrent Audit, Legal Audit, Legal opinion, Engineer's valuation, CA Certificates etc, a condition to be incorporated that *"I/We certify that this certificate is issued after verifying the necessary details and I / we are aware that giving false certificate is a criminal act and is a punishable offence".* The condition is to be incorporated in all letters issued while appointing Advocates, Valuers, Chartered Accountants for Legal Audit, Stock Audit, Legal opinion, Engineer Valuation etc and also for getting all Chartered Accountant certificates.
6. All appraisal notes should contain a clause *"No Third party is involved at any stage in the loan sanction process'.*
7. All loan proposals that are submitted to Corporate Office should be accompanied by a Certificate signed by Branch Manager/Zonal Manager stating that *no third party is involved at any stage in the process of loan proposal*

Non-banking Financial Companies (NBFCs) and Housing Finance Companies (HFCs)

The Bank's exposure shall normally be restricted to the existing/ prospective clients with proven track record, sound financials and those complying with the RBI stipulated norms/ Bank's norms. ***Term loan as well as Working Capital credit needs of NBFCs and HFCs will be assessed based on the cash flow.***

Entry Barrier for NBFC/MFI

- **NBFC, HFC and NBFC-MFI**: Combined internal rating IB A (Based on RAM) & External rating A/A2 (+ /-)
- **MFI:** Combined internal rating IB BBB (Based on RAM) & External rating mfR3

Valuation of Collaterals

Following requirements should be complied with respect to collateral valuation:

- From credit risk mitigation perspective, branch should compute LTV in Housing Loans based on realisable value of the underlying property

- Specific methodology for valuation based on nominal or notional value, market value, appraisal value, book value or distress sale values is applied depending upon the collateral type.
- The collateral is valued at, or less than, the current fair value under which the collateral could otherwise be sold under an arm's length contract on such date of valuation.
- The valuation takes into account any preferential creditors, such as tax or government authorities, who may have a prior claim to the proceeds of the collateral under certain jurisdictions, even where the Bank has a legally perfected first claim. If the Bank has a second or third priority right, the full value of the prior charges will be deducted from the collateral value.
- It is expected that the value of the collateral will be reassessed at periodic intervals at the time of credit review of the facilities. Collateral valuations are updated at a frequency appropriate to the value and nature of the collateral and the ease and costs of valuation.
- More frequent monitoring of collateral will be undertaken where the market value of the collateral is subject to significant changes. The credit approving authority may require new collateral value appraisals to be carried out at any time.
- In cases of collaterals like land and building, equipment, plant and machinery etc., detailed appraisals are undertaken by approved valuers. These appraisals should be received as written reports and must consider the local guidelines regarding valuation and revaluation.
- Initial appraisals must not be older than six months prior to approval of the credit facility. In respect of periodic credit review of facilities and reassessment of collateral value, appraisals older than six months can be used, subject to the approval of the relevant sanctioning authority. In such cases, the appraisal must be supplemented by a recent valuation that takes into account normal depreciation rates applicable to the specific type of collateral, maintenance, market changes and other factors.
- In the case of consortium or multiple banking accounts led by our Bank, the periodicity of valuation should be followed as below. In consortium accounts led by other Banks, we may follow the leader Bank. If the existing valuation report is more than three years old, branches should follow up with the leader

Bank for re- valuation. Pending the same, depreciated value as per the audited Balance sheet may be reckoned.

- If the collateral is established on a pari-passu charge basis with other parties, the pro-rata part of the value of the collateral must be taken.
- If the property under second charge in our Bank‛s favour, we may go by the valuation report obtained by the first charge holder. If the valuation report obtained by the first charge holder is more than three years old, branches should take up with the first charge holder for re-valuation of the property. The outstanding dues to the first charge holder/s should be reckoned.
- Bank will undertake revaluation of the collaterals, if there is deterioration in the quality of the exposure, or there are any early warning signals on deterioration.
- In a situation where market prices of security are declining, the revaluation has to be done at lesser intervals as might be necessary to protect the Bank‛s interest.
- The Valuer has to give Market Value Realizable Value and Distress Sale Value of the securities. If Realizable Value and Distress Sale Value are not mentioned in the valuation report then Realizable Value will be arrived by reducing Market Value by 10% and Distress Sale Value will be arrived by reducing Realizable Value by 10%.
- Where a dispute / fraud is identified in any of the accounts, the collateral in respect of such accounts shall be made zero in the CBS environment.
- The Branches would be responsible for valuation of collaterals as per the methodology and frequency defined below, in compliance with the above requirements:

Collateral Type	**Methodology for valuation**	**Frequency**
Cash and Cash Securities	Bank’s own deposits and term deposits are valued at face value plus interest	Monthly
Government Securities	Valuation will be carried out as per RBI guidelines.	Monthly

Gold/Jewellery	Gold /Jewellery accepted as security/ collateral should be valued at the average of the closing price of 22 carat gold for the preceding 30 days as quoted by the India Bullion and Jewellers Association Ltd. If the gold is of purity less than 22 carats, the Bank should translate the collateral into 22 carat and value the exact grams of the collateral i.e. Jewellery of lower purity of gold shall be valued proportionately	Monthly
KVP,NSCs	Valued at purchase price plus accrued interest for instruments which are not in lock in period	Annually
Life Insurance Policies	Valued at surrender value	Annually
Debt/Equity Securities	Shares/Debentures of listed companies should be valued at prevailing market price and of unlisted companies book value should be arrived as per latest audited Balance sheet.	Weekly
Units of mutual Funds	Valued at current net asset value quoted at respective fund	Monthly
Financial Receivables	Value of receivables is obtained from invoices	Monthly
Inventory, Stocks, Finished Goods	• Raw materials - At cost or market value whichever is lower • Stock in progress – At cost of production • Finished goods- Cost of sales or sales price whichever is lower	Monthly

Plant and machinery	Should be in good working condition, and valued at depreciated value as reflected in the audited balance sheet not older than 18 months. Plant and machinery shall be got valued by an approved Chartered Engineer whenever felt necessary.	Annually
Vehicles	Vehicles are valued at depreciated value	Annually
Commercial/ Residential Land/ Building	For advances secured by immovable properties (Land/Building) as primary or collateral, it is necessary to get it valued by an empanelled engineer of the Bank before granting of the advance. Land and building will be valued at realizable value, not older than three years. ***For all non-structured product loans and MSME structured product loans with exposure of Rs 5 crore and above and if the value of each property is Rs 50 lakh and above the valuation should be done by two independent valuers at the time of on boarding.*** **For other structured products with exposure of Rs 1 crore and above and if the value of each property is Rs 50 lakh and above the valuation should be done by two independent valuers at the time of on boarding.In case of difference in valuation of assets done by two independent valuers, the lower of the two valuations will be considered.** The immovable properties mortgaged to the Bank shall be revalued at least once in three years and a review of the account will be	Three Years

	taken based on the revaluation. In cases where two valuations were required at the time of on boarding, second valuation report should be obtained only if revaluation amount is increased by more than 50% of previous lower value. **Valuation of immovable properties mortgaged for Home Loans, Mortgage Loans and Reverse Mortgage Loans** The immovable properties mortgaged to accounts with *aggregate balance outstanding of more than Rs.100 Lakh after three years from the date of sanction and with asset status as SMA1,SMA2 have to be revalued once in three years. (*aggregate Balance outstanding means balances of Home loan + Home loan plus + OD advantage etc.)	
Agricultural land	For agriculture loans up to Rs 10lakh, government guideline value may be taken and for more than Rs 10 lakh realizable value obtainedfrom the approved empanelled engineer will be taken as value of the agricultural land. When agricultural land is taken as security for non-agricultural loans realizable value obtained from the approved empanelled engineer will be taken as value of the security.	Three Years
Crops	Cost of cultivation	At initiation

COLCCGM may waive re-valuation based on valid reasons in individual case for those advances sanctioned up to General Manager Committee level. For advances sanctioned under the powers of ED committee and above, ED committee is empowered to take such a decision. Such decisions taken are to be reported to the next higher authority.

The valuation of securities for accounts under recovery will be guided by Recovery Policy of the Bank.

Extension of validity of credit limits

- Review/renewal to be submitted before 3 months of the scheduled due date of review/renewal.
- In case of delay due to non-availability of required information/documents, such as, audited/provisional financial statements, operational data, borrower/s being out of station, etc., operational review to be submitted to the concerned sanctioning authority. Sanctioning authority shall record the same in review proposal and may review the account for a maximum period of 90 days from the due date on existing terms and conditions. Such review is restricted to two times within 180 days from the due date of renewal.
- MD/CEO (ED in the absence of MD&CEO) is authorised to accord review/renewal of limits falling under MC powers for maximum period of 180 days. The same may be placed to MC for ratification
- However, within 180 days from the original due date renewal must be completed. An account where the regular/ad-hoc credit limits have not been reviewed/ renewed within the prescribed timeline from the due date/date of ad-hoc sanction will be treated as Non-Performing Asset.
- Existing concessions including concessional ROI would stand withdrawn from the due date of review/renewal if the same is not permitted for continuation during sanction review.
- In case of NPA accounts, one-time status report has to be submitted to the sanctioning authority before the end of the succeeding quarter.
- Additional rate of interest to be charged for delayed submission of renewal papers by the borrowers as per terms and conditions.

- Any concessions/relaxations in the account, to be approved by the competent authority.
- Operational Review format annexed to circular ADV 188/2020-21 dated 12-11- 20 should be used for submitting such reviews.

In all sanctions/ renewals/ reviews, it should be made clear that a condition to be stipulated that the ROI/ Commission on LC/BG will undergo change, in case of any rating downgrade.

Check List for Verification

While entertaining proposals, it is to be verified whether the names of the borrower / Directors / Promoters find place in:

- RBI Defaulters List – Non-suit filed
- RBI Willful Defaulters List – Non-suit filed
- RBI Caution list circular issued from time to time
- OTS List
- CIBIL: Suit Filed account of Rs.1.00 crore and above
- CIBIL Willful defaulters list of Rs.25.00 lakh and above
- CIBIL: Suit Filed account of below Rs.1.00 crore (updated on daily basis)
- CIBIL Willful defaulters list of below Rs.25.00 lakh (updated on daily basis)
- ECGC – SAL
- CIBIL Detect
- CERSAI Registration
- CRILC
- Banned List of Promoters of SEBI
- List of Disqualified Directors available in the website of Ministry of Company affairs (MCA)
- Central Fraud Registry in respect of accounts with exposure of Rs 1 lakh and above.

If name is found reported, the reason for such inclusion must be discreetly studied/clarified from the reporting bank/financial institution directly. The details of the Lists verified shall be recorded /reported in the proposal. Due Diligence in Credit Proposals – circular no. ADV- 130/2020-21 dated 21.09.2020 issued by CO: RMD should be referred.

Accessing of Consumer Credit Information from CRIF Highmark / CIBIL / Experian/ Equifax Data Base

The name of Credit Information Companies are CRIF HIGHMARK, CIBIL, EXPERIAN and EQUIFAX

FOR CORPORATE BORROWERS

- One CIR for loan of equal to more than 50 lacs less than 5 crore
- Two CIR for equal to or above 5 crore.
- CIR of Directors /Partners/etc to be extracted.

FOR HOME LOAN/AGRICULTURE PROPOSALS/OTHER PERSONAL SEGMENT LOAN PRODUCTS: Branches / ZLCCs as sanctioning authorities should sanction Home Loan, Agriculture proposals and other Personal Segment Loan Products only after due diligence and after verification from any one of the above four Data Base/Credit information companies (CIC) in case of loan amount of less than Rs 50 lakh and from any two of the above four CICs in regard to borrowers, promoter directors, partners and guarantors before taking a decision in case of loan amount of Rs 50 lakh and above. The prescribed charges for CIR verification should be recovered from the customer.

Sanction in stressed accounts:

In case of stressed accounts of Rs 5 crore and above reported under CRILC as SMA-2 within last one year except reported due to technical reasons, any requests for fresh/additional limit to such borrower shall be referred to next higher authority for sanction. additional limits to such borrowers shall be considered by FGMCAC up to ZLCC powers. COLCCGM for sanctions under FGMCAC powers and by the respective credit committees at corporate office up to their general delegated powers.

If any group having exposure beyond Rs 5 crs (excluding retail products) and showing any signs of stress in any account of the group companies, further exposures should be taken only with the approval of FGMCAC up to ZLCC powers and by the respective credit committees at FGMCAC/corporate office up to their general delegated powers.

Large Exposure

Exposure to Single borrowers or group of connected borrowers equal to or above 10% of Tier I Capital of the Bank as per the last audited balance sheet are classified as Large Exposure. The sum total of Large Exposures to single borrowers and group of connected borrowers is fixed at 500% of the Tier I Capital funds of the Bank as per the last audited balance sheet. This Exposure Limit is not deemed as cap on further exposures but is intended for closer monitoring.

Loan System for Delivery of Bank Credit

In respect of borrowers having aggregate fund based working capital limit of ₹150 Crore and above from the banking system, the outstanding 'loan component' (Working Capital Loan) must be at least 60 percent of the sanctioned fund based working capital limit, including ad hoc limits and TODs. Drawings up to 60 percent of the total fund based working capital limits shall only be allowed from the 'loan component'. Drawings in excess of the minimum 'loan component' threshold may be allowed in the form of cash credit facility. The bifurcation of the working capital limit into loan and cash credit components shall be effected after excluding the export credit limits (pre-shipment and post-shipment) and bills limit for inland sales from the working capital limit. Investment by the bank in the commercial papers issued by the borrower shall form part of the loan component, provided the investment is sanctioned as part of the working capital limit.

The amount and tenor of the loan component will be fixed by bank in consultation with the borrowers, subject to minimum seven days. Bank may decide to split the loan component into WCLs with different maturity periods as per the needs of the borrowers. Repayment of the WCLs can be in instalments or by way of a "bullet" repayment.

Effective from April 1, 2019, the undrawn portion of cash credit/ overdraft facility for limit of ₹150 Crore and above from the banking system irrespective of whether unconditionally cancellable or not, shall attract a credit conversion factor of 20 percent.

Repayment period of term loans

- Generally maximum repayment period of 15 years may be allowed including moratorium period. For infrastructure projects/industry specific cases maximum repayment period of 25 years (including moratorium) may be allowed on case-to- case basis.

- Proposals for clearance other than structured loan products exceeding 10 years of repayment including holiday period shall be approved by COLCC (GM) and above at CO within their delegated powers subject to a maximum of 25 years or 85% of the economic life of the asset whichever is lower.
- Repayment under EMI shall be applicable only for PSLPs, Structured products in Agriculture/MSME and for other products where it is specifically permitted.
- The repayment period for restructured (past) debts should not normally exceed seven years from the date of implementation of the package and in exceptional cases may be extended up to ten years.
- Repayment in term loan In case of stressed accounts/consortium/MBA as per Resolution Plan approved by Bankers
- Bank has the right to exercise exit option after 8 years for project/infrastructure finance.

Moratorium on Repayment

- In case of structured products, it will be based on guidelines for respective products. In case of commercial activity/project, holiday period may be granted based on estimated time to start commercial operation and generate sufficient cash to meet the repayment.
- Realistic and activity based gestation and repayment periods are to be fixed. Generally, holiday period for payment of interest shall not be more than 2 years and the moratorium period for repayment of the principal shall not exceed 3 years.
- Sanctioning Authorities at the level of COLCC(GM) and above at CO are empowered to permit holiday period of more than 2 years for interest and 3 years for principal for accounts up to their delegated powers on a case-to-case basis.

Credit Monitoring Policy: Monitoring of Accounts at Corporate Office Level

In respect of project finance where the exposure from banking sector (Sole/Multiple/Consortium) is more than Rs 250 crore, specialized monitoring jointly by related department of Corporate Office us required.

Down gradation in internal rating

Wherever there is a down grade in rating, the following actions will be taken at Branch/ZO/FGM level based on applicability:

- The interest rate applicable to such borrowal account shall be refixed based on downgraded rating.
- Any kind of relaxation on interest rate or other charges on such accounts should be reviewed and it should be referred to the appropriate sanctioning authority for concession in interest rate or other charges.
- Any proposals for enhancement in limits or sanction of new facility to borrowers downgraded to below investment grade, shall be recommended to next higher sanctioning authority.
- For review/renewal of existing limits, respective sanctioning authority can consider irrespective of any down gradation in internal rating.
- Any borrowal account which slips to NPA will be downgraded to D category.
- For rating proposals approved at Corporate Office level, a copy of the rating 8communication will be sent to Credit Monitoring Department and respective functional credit department at corporate office and respective Zonal Offices & FGM Offices for stepping up the monitoring mechanism and for ensuring maintenance of asset quality.
- Such downgraded accounts are being scheduled for review in LRMC. This process is ongoing and hence mitigation gets reinforced after each quarter to ensure better asset quality.

Validity of Internal Rating

Generally ratings are assigned based on audited financial data or accepted projected financials. In certain cases where provisional financial data (i.e., unaudited) alone is available, the ratings may be worked out based on such provisional data also. The validity of the ratings is as specified below:

	Particulars	Validity period
1	• Rating based on audited data for entity required to get audited • Rating based on audited or unaudited data for entity not required to get audited	Internal rating should be completed by 31st Dec of next financial year of rating and it should be authorised by 31st March of next financial year of rating. Validity of the rating will be 24 months from the end of financial year of the rating.
2	Rating based on Provisional Company Financial Data	3 months from the due date of submission of return to income tax authority
3	Rating basedon Projected Company Financial Data	6 months from the date of first year of financial projections.
4	Project rating	18 months from the financial closing date of rating year, and is to be reviewed based on the progress / available financials of the project, till publication of financial results for the first year of commercial operation.

On expiry of validity of rating, interest rate will be revised to the interest rate applicable for unrated exposure.

General Guidelines for internal rating

- The internal rating would be done at least once in each year for all existing standard borrowal accounts.
- No Fund based/Non fund based credit proposal (fresh/enhancement/reduction/ review/renewal) should be forwarded /placed before the sanctioning authority without having valid and confirmed internal rating based on rating or scoring models as per applicability.

- The risk officer validating the rating will be at arm's length distance from the sanctioning authority.
- Fresh internal rating is essential for proposals which are being placed to different credit committees for interest rate concessions, waiver of charges, permission for NOC, and permission for deviation.
- Details like the confirmed rating, date of confirmation, approving authority should be incorporated in the Credit proposal. A copy of final company rating report (RAM) should be available with the branch for verification by the Inspecting Officials.

Dynamic internal rating System

Internal rating to be conducted more than once in a year in following cases:

- Listed Corporate borrowers(wherever quarterly results /data are available) to be internally rated (mid term) within 90 days of publication of quarterly results.
- Internal rating to be conducted within 1 month from the external rating downgrade when the external Credit rating has downgraded for a particular borrower.
- Internal rating to be conducted in an interval of 6 months for Corporate borrowers with external rating 'C' or 'D'
- Internal rating to be conducted within 1 month where there is adverse news in the market about the borrower.

Down gradation in internal rating:

Wherever there is a down grade in rating, the following actions will be taken at Branch/ZO/FGM level based on applicability:

- The interest rate applicable to such borrowal account shall be refixed based on downgraded rating.
- Any kind of relaxation on interest rate or other charges on such accounts should be reviewed and it should be referred to the appropriate sanctioning authority for concession in interest rate or other charges.

- Any proposals for enhancement in limits or sanction of new facility to borrowers downgraded to below investment grade, shall be recommended to next higher sanctioning authority.
- For review/renewal of existing limits, respective sanctioning authority can consider irrespective of any down gradation in internal rating.
- Any borrowal account which slips to NPA will be downgraded to D category.
- For rating proposals approved at Corporate Office level, a copy of the rating communication will be sent to Credit Monitoring Department and respective functional credit department at corporate office and respective Zonal Offices & FGM Offices for stepping up the monitoring mechanism and for ensuring maintenance of asset quality.
- Such downgraded accounts are being scheduled for review in LRMC. This process is ongoing and hence mitigation gets reinforced after each quarter to ensure better asset quality.

External Rating

At present six Credit Rating Agencies namely CARE, CRISIL, India Ratings and Research Private Limited (India Ratings), ICRA, SMERA (ACUITE) and INFOMERICS are accredited by RBI for the purpose of risk weighting the Bank's claims for capital adequacy purposes.

- External rating from any one of the accredited agencies should be obtained for all exposures as below: CRE, MSME(Including rice mills and agro processing units which are registered under MSME Act): Rs. 25 crore and above, others: Rs 10 crore and above. LRD loans sanctioned to corporate borrowers: Rs 50 Crore and above. (In case External rating for the company is not available, only Facility rating from External Rating Agency may be explored).
- No fresh exposure eligible for external rating as per Banks existing policy is permitted without external rating except project loans. In case of borrowers without external rating, the Bank has to insist on the external rating at the time of sanction. In the case of project loans the external rating has to be obtained within 3 months from the date of achievement of COD.
- Additional interest of 1.00% to be charged for eligible accounts which are not externally rated, till obtention of rating or closure of loan whichever is earlier from the deadline for getting externally rated.

- Waiver of external rating/extension of time for external rating/waiver of additional interest rate of 1.00% for proposals falling under the powers up to FGMCAC are to be considered only by the FGMCAC and by the respective sanctioning authorities for the proposals falling under the powers of COLCC (GM) and above.
- External rating for the Maharatna, Navaratna, Miniratna companies, proposals fully guaranteed by Central/ State Government, proposals covered with full financial collateral securities may not be insisted upon.

Entry Barrier for financing

The entry level rating for sanctioning of advances to borrowing entities has been fixed as below:

Segment	Entry Barrier
NBFC, HFC and NBFC-MFI	Combined internal rating IB A(Based on RAM) and external rating A/A2 (+ /-)
MFI	Combined internal rating IB BBB (Based on RAM) and external rating mfR3
Unsecured loans of Rs 5 crore and above	Combined internal rating IB A (Based on RAM)
Exposure where Project rating is applicable	Combined internal rating IB BBB (Based on RAM) and Project rating P3 (Based on RAM)
Exposure where Scoring Model is applicable	Internal rating BBB (Based on Scoring Model) and CIBIL Score of 700 or Experian/Equifax/CRIF Highmark Score of 650
Short Term Loans	External rating of AA (+ or -)/A1
All others	Combined internal rating IB BBB (Based on RAM)

1. The above entry barrier is not applicable for Public Sector Undertakings (PSU) for all fresh sanctions. In respect of PSUs powers are vested only at Corporate Office within the respective committee.

2. Sanction of fresh proposals other than PSU “below entry barrier” (up to one notch) falling up to the powers of ZLCC are to be considered by FGMCAC; under FGM CAC powers by COLCC(GM) and proposals falling under COLCC(GM) and above can be considered by the respective sanctioning authorities within their delegated powers with justification. For NBFC, HFC, NBFC-MFI and short term loans only CAC and MC are vested with powers to consider proposals below entry barrier within their respective delegated powers.

3. ZLCC may consider CIBIL Score up to 650 or Experian/Equifax/CRIF Highmark Score up to 600. FGMCAC may consider CIBIL Score up to 600 or Experian/Equifax/CRIF Highmark Score up to 575 with proper justification. Cases with CIBIL Score below 600 or Experian/Equifax/CRIF Highmark Score below 575 will be put up to COLCC (GM) for permission/administrative clearance. CIC Hurdle rate (CIBIL Score of 700 or Experian/Equifax/CRIF Highmark Score of 650) is applicable only for Fresh/Enhancement proposals and not for review/renewal proposals. For review/renewal proposals where CIC score is lower than hurdle rate, same may be accepted by respective sanctioning authority with proper justification. In case of CIBIL score of -1,3-5 and insufficient history in any other CIC, report from 2 CIC to be pulled irrespective of loan amount and the same may be accepted by the sanctioning authority with proper justification. Hurdle rate is applicable for Customers availing loans on personal capacity including proprietorship/ Partnership.

4. For accounts eligible for external rating, (except for MSME & specific segments
/ schemes for which external rating entry barrier is separately specified), External rating of BBB- is the hurdle rate for fresh & enhancement of accounts
/ proposals falling under the authority up to ZLCC. Proposals falling under authority upto ZLCC, having external rating below entry barrier should be referred to next higher authority (If two or more valid ratings are available from credit rating agencies, lower among the valid ratings should be considered).

Large Exposure

Single borrowers or group of connected borrowers having exposure equal to or above 10% of Tier I Capital of the Bank as per the last audited balance sheet are classified

as borrowers having substantial exposure. The sum total of Large exposures to single borrowers and group of connected borrowers is fixed at 500% of the Tier I Capital funds of the Bank as per the last audited balance sheet. Substantial Exposure Limits are not deemed as caps on further exposures but are intended for closer monitoring.

Limit for exposure without valid rating

Limit for Standard credit exposure eligible for internal rating but without valid internal rating is fixed at 10% of total standard credit exposure eligible for internal rating. Credit exposure to Central and State Government PSUs are excluded for monitoring of this limit.

Risk Based Pricing using RAROC Framework

The Risk Based Pricing framework is a method for ensuring accurate risk sensitivity in lending decisions by setting the interest rate of a new loan based on the perceived risk of the loan. By using risk-based pricing framework, Bank can set its interest rate more scientifically. This framework will allow Bank to understand whether a customer is creating or diluting(eroding) value for the bank and to price customers in line with the Risk category of borrower, balancing Risk & Reward.

Current Card Rate Mechanism vis-à-vis Risk Based Pricing

The present card rate mechanism derives interest rates solely based on internal ratings, whereas RBP framework comprehensively assesses the borrower's risk profile by considering both internal and external ratings. In terms of Rate Computation Methodology, the RBP approach effectively reflects the borrower's risk profile through the risk-return trade-off, utilizing Risk-Adjusted Return on Capital (RAROC).
The interest rate is then determined with consideration of the Hurdle Rate (Cost of Capital), which is a notable departure from the current card rate methodology where no such comparison with the Hurdle Rate is made. Furthermore, Facility-Based interest rate in the proposed Risk-Based Pricing model differentiates interest rates for Term Loan and Working Capital/Overdraft facilities based on the varying risks associated with each facility. This stands in contrast to the current methodology, which does not distinguish between different facility types.

Borrower Differentiation takes center stage in RBP model, where interest rate structures and spreads are tailored individually for diverse borrower categories. These categories include Corporate Borrowers, PSU (distinguished by government guarantees), CRE-NRH, and LRD (distinguished by ringfenced cash flows from lease rentals and absence of construction risk). In contrast, the current card rate framework lacks such granular differentiation.

Objective of the Framework

- Development of RBP Methodology to ensure correct interest rate is charged and occurrence of any instance of revenue leakage is prevented. This is in compliance to the DFS prescription on adoption of Risk based pricing models.
- Replacing the existing card rates with RBP rate for PSU/Non-PSU/NBFC/CRENRH/LRD loans based on the risk characteristics of the respective Borrower's Business Environment.
- To provide a single point of reference to field functionaries & Customers need of a competitive rate of interest for the facility availed by them.

The final interest rate methodology is meticulously designed with a focus on Risk-Based Principles and Market Dynamics. Given that Market Dynamics are subject to non-stationary fluctuations, often driven by changing economic circumstances, field functionaries are encouraged to consistently strive for better rates to enhance Interest Income and safeguard the Net Interest Margin of the bank.
The interest rates are automated by RMD and manual computation is not required at branch level. To ensure right pricing all the fields in the model should be filled correctly. Wherever dropdown is available (Type of Borrower, Borrower Sub Category, Account type & Rating (External as well as internal, pool characteristics, concession authority & Benchmark), it should be selected correctly. These inputs are very important and should be filled with proper understanding to get accurate outcome.

Scope of the Framework

The frame work shall be applicable to "All new loans / advances sanctioned / Loans reviewed / RoI reset on or after 03.11.2023". As per the framework, calculation of RBP is required for the below mentioned category of borrowers at this juncture. MSME customers with Exposure greater than Rs .25 crores & Risk Based commission for NFB facilities will be brought under the ambit of RBP framework gradually in due course. To start with, RBP is applicable only for –

- Corporate Borrowers (NBFC/PSU/LRD/CRE-NRH/Non-PSU Corporate e.tc)
- Purchase of Pooled assets (irrespective of amount)

All other category of borrowers apart from above mentioned will be exempted from RBP framework. An illustrative list of category of borrowers which will be exempted from the applicability of Risk Based Pricing Methodology is listed below for reference.

- Exposure to Retail, Agriculture & MSME Borrowers and all accounts linked to EBLR/TBLR.
- Restructured Accounts(existing/proposed) including WCTL and FITL.
- Loans with 100% financial security & Fixed rate loans
- Rate of interest for specific/structured products, as the same will be finalized by the respective departments at corporate office by taking cue from this pricing framework Pricing for Forex structured products and for structured products related to import and export transactions will be finalized by concerned department at corporate office.
- Exposure with other scheduled Commercial and Cooperative Banks.
- Exposure at Singapore, Sri Lanka & Gift city

RBP Calculator

RBP Computation is done at account level for fund based facility as per following formula. RBP rate =∑ (Breakeven Rate as per RAROC+ Business Strategy Premium + Size Premium +Opex Discount+ Sector Premium) The RBP Functionality/calculator can be accessed through:(Help Desk -> Departments -> Risk Management –>Select Application (Option 8 –Risk Based Pricing).

Key values/components used in RBP Computation

Corporate Borrowers (NBFC/PSU/LRD/CRE-NRH/Non-PSU Corporate e.tc): Corporate will include all, other than those which qualify for inclusion under 'sovereign', 'bank', 'regulatory retail', 'residential mortgage', 'non performing assets', specified category addressed separately in BASEL III guidelines of RBI.

Cost of fund: It is the interest expense for the funds utilized for funding of the facility. Cost of Funds will be updated at Corporate Office level on quarterly basis.

Operating expenses : It represents both direct and indirect operating expenses incurred for loan including raising deposits and which are not separately recovered from the customer. Operating Cost will be updated on quarterly basis at Corporate Office level based on operating cost of trailing four quarters.

Probability of Default (PD): It is the likelihood of a default over a particular time horizon. In application, internal rating grade wise average one year PD estimate calculated as yearly default study conducted by the Bank, will be used. For borrowers falling under stressed sector, PD with a multiplier is applied and It will be updated on yearly basis at Corporate Office level.

Loss Given Default (LGD): It is an estimate of the loss from a transaction given that a default occurs. LGD will be borrower specific and It will be updated on yearly basis at Corporate Office level.

Credit Risk weighted Assets (RWA): Credit Risk-weighted asset is a bank's assets and off-balance sheet exposures, weighted according to risk associated with that asset class provided by eligible external rating agencies.

Operational Risk weighted Assets (RWA): For allocating capital and Risk Weighted Assets on account of operational risk associated with a borrower a multiplier accepted as per the framework is used for RAROC computation.

Capital: Regulatory Capital requirement (as per RBI BASEL Guidelines (11.50%)) has been taken. (Credit Risk weighted Assets + Operational Risk weighted Assets) * CRAR (@11.5%).

Risk Free Rate: 10-year G Sec yield has been taken as risk free rate to be used as Income on Capital and is to be updated on quarterly basis

Weighted Average Cost of Capital (WACC): It is blended cost of capital across equity and debt capital instruments. The Weighted Average cost of capital arrived acts as a hurdle rate. WACC will be set / reviewed at Corporate Office level on yearly basis.

Size Premium: To Mitigate Concentration Risk in Bank's portfolio arising from large position in single counterparty.

Risk Based Pricing (RBP) framework in the context of lending decisions, focuses on the Risk-Adjusted Return on Capital (RAROC) methodology to determine the interest rates for loans, ensuring a more nuanced and accurate reflection of the perceived risk associated with each borrower and transaction.

The RBP framework aims to enhance the accuracy of risk sensitivity in lending by determining the interest rate for a new loan based on the perceived risk associated with it. Unlike the current card rate mechanism, RBP considers both internal and external ratings, reflecting a borrower's risk profile through the risk-return trade-off.

The framework differentiates interest rates for various facilities, such as Term Loans and Working Capital/Overdraft, based on their associated risks. Borrower differentiation is a key aspect, tailoring interest rates for diverse categories, including Corporate Borrowers, PSU, CRE-NRH, and LRD. The article outlines the objectives of the framework, emphasizing compliance with DFS prescriptions on risk-based pricing models and providing a competitive interest rate reference. The scope of the framework includes corporate borrowers and the purchase of pooled assets, with exemptions for certain categories.

The RBP calculation involves various components like Breakeven Rate, Business Strategy Premium, Size Premium, and more. The article also introduces the RBP Calculator, detailing its key values and components used in computation, including cost of fund, operating expenses, probability of default, loss given default, credit risk-weighted assets, operational risk-weighted assets, capital, risk-free rate, and weighted average cost of capital. Overall, the RBP framework is designed to ensure precise interest rate determination, prevent revenue leakage, and adapt to market dynamics, promoting consistent efforts for better rates by field functionaries.

Collection of Scope 1 and 2 Carbon Emission data of borrower

In response to the increasing global focus on climate change and sustainable development, both the Reserve Bank of India (RBI) and the Securities and Exchange Board of India (SEBI) have taken significant steps to address environmental, social, and governance (ESG) risks.

In recent years, climate change concerns and sustainable development have taken centre stage in global and national priorities. There has been a growing recognition of the significant economic impacts of environmental, social and governance (ESG) risks across the globe, with many international bodies and financial regulators examining ESG-related issues including regulation and supervision.

Reserve Bank of India has released a Discussion Paper on Climate Risk and Sustainable Finance. Similarly, SEBI has also introduced new reporting requirements on ESG parameters called the Business Responsibility and Sustainability Report (BRSR) mandatory since FY 2022-23 for top 1000 listed entities (by market capitalization) and voluntary for other entities.

In this context, disclosure of Scope 1 & Scope 2 emissions^ by the entities has gained traction and being considered as an important point measuring contribution of organization towards Climate Risk Management. As such, under EASE 6.0, it has been taken as one of the Actions points for Banks to measure the quality of new advances/ front book with reference to controlling emissions of Green House Gases/ minimizing carbon foot print.

Thus to measure the same, in terms of EASE 6.0 guidelines, data on carbon emissions (including scope 1 & scope 2 emissions) for all borrowers on new loans above Rs.10 Cr for the industries Oil & Gas, Coal mining, Fossil fuel related power generation, Aviation and Petrochemicals is required with in 30.09.2023. The carbon emission data is required for every loan above Rs.10 Cr in Bank across all industries by 31.12.2023

Guidelines on Climate Risk & Green Financing

- To lead the efforts in scaling up the sustainable finance business in the Bank a dedicated vertical to be created which will be primarily responsible for introducing Green Deposit and Green Loan Products and monitoring their performance. This will enable the Bank to take advantage of opportunities arising from climate change as the proceeds from green deposits will be deployed to finance environment-friendly businesses such as renewable energy, clean transportation, etc.

- Exposure of the Bank to carbon-intensive sectors exposes to transition risks. In this context, gradual reduction in exposure to highcarbon emitting/polluting businesses in the coming years is to be brought about.

- Exposure under Green Financing through separate green loan products catering to the requirement for Rooftop solar, electric vehicles (EVs), EV charging infrastructure etc will be prioritized.

- Green Portfolio constituting lending under Green Products, finances to sectors like Renewable Energy (Solar, Wind, and Hydro- Water), Ethanol Projects will be monitored on regular basis and quarterly portfolio position will be placed to RMC.

- Disclosure under Basel –III for such portfolio/ Climate Risk mitigation measures taken by Bank will be made.

- The Bank will engage with its corporate customers in pursuit of decarbonization and to reduce their emission of greenhouse gases. Sustainability Linked Loans (SLLs) to corporate customers will be extended where the interest rate on the loan will be linked to firm’s achievement of certain sustainability benchmarks to incentivize the borrower to achieve certain sustainability performance objectives.

- Minimum four awareness programme on climate risk and sustainable finance in a FY will be done to help the Bank embed climate risk into their operations and ultimately to move towards carbon neutral position in long term.
- Branches /DAMC while opening the accounts shall ensure proper mapping of activity code for aggregation to Green Portfolio.

Risk Mitigation measures for Project lending (New guidelines)

- In Project Lending, the Internal Rating thresholds under CRISIL –RAM are Project Rating – up to P-3 (Scale P1 to P8) and Combined Internal rating IB BBB.

- Apart from DSCR, IRR of the Project to be computed, compared with COC / WACC, industry benchmarks and commented upon in Appraisal. Debt/EBIDTA also to be computed compared to industry average and commented.

- While assessing project loans, all types of risks, including tail risks are to be assessed. Tail refers to the time gap between the original loan maturity and the life of the project. Therefore, higher the tail period lessens the risk.

- Planned COD for the project to be recorded and any subsequent shift in COD with necessary approval should also be recorded.

- Services of Professionals viz: LLC, PMC / LIE, etc to be utilized for documentation, legal vetting, ensuring all requisite statutory approvals/ NOC and evaluating / monitoring the progress of the project and assessing the amount Invested, compliance with the sanction terms etc

CBS

CBS CONCEPTS

CBS, DIGITAL AND IT PRODUCTS

TECHNICAL TERMS IN CBS

- The **USERS** in BANCS are differentiated by USER TYPE and CAPABILITY Levels
- **User type** refers to the **function** to be performed by the User
- **Capability** level refers to the **power** that can be exercised by a user.
- **VPIS**-Value Paper Inventory System
- **GLIF** (General Ledger Interface File) is an interface between BANCS and Finance1.
- **GLIF** difference is **NEGATIVE**, it indicates that some **debit entries have failed,** and if it is **POSITIVE** that some **credit entries** have failed.
- In CBS the term deposits except RD and VRD automatically **roll over** for the same period of deposit on the due date. RD and VRD will be rolled over as (ODDRD/ODD VRD) a current account.
- The CBS system deducts TDS in a deposit account, When the total interest paid to customers under the same CIF in a bank per year exceeds **Rs.40000**.
- There is no TDS on SB but interest beyond amount of Rs 40000 in the same CIF is taxable. (TDS is applicable to NRO SB).

  CBS system allows payment of **back date** interest in deposits, Up to a maximum of **14 days i**nterest.

- **IFSC Code-Indian Financial System Code** (A code no with 11 Characters for RTGS/NEFT participating Bank branches given by RBI). e.g. IFSC code of Indian Bank Thiruvananthapuram Branch is IDIB000T056.

Cash handling charges is applicable to cash remittance in the current account Up to Rs 1 Lacs Free, thereafter Rs.2/- per 1000 with Min. Of Rs. 100 to Maximum of Rs. 5000. For OD/OCC account Up to Rs 2 Lacs Free , thereafter Rs.1/- per 1000 .

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CAPABILITY LEVELS /USER TYPES of Cashiers/SWOs/Officers

Existing Designation	CBS ROLE			Financial powers		
		USER TYPE	Capability	Cash Receipt	Cash Payment	Clearing/ Transfer
Teller	Teller	1	1	NIL	NIL	NIL
SWO– A	Teller	1	3	15000	10000	15000
SWO– B	Teller	1	5	25000	20000	25000
Head Cashier-II	Head Cashier	1	7	25000	20000	50000
Head Cashier II/SWO B.	Head Cashier/Teller (In Rural branches, clerks	70	7			
SPL..Assistant	Teller	1	8	35000	35000	150000
Officers						

- Queue will be generated on creation/ sanction of more than Rs.2 lacs is entered by any user and all transactions of more than Rs.2 lacs should be tired through batch mode only. Such transactions will generate a queue to be passed by another officer irrespective of the capability level of the maker.
- Phishing is a form of Cyber Attack in which scammers, and attackers make internet users divulge sensitive information about their bank accounts and personal details using the e-mail IDs.

Circular No HRM.30/2017 dated 08-06-2017

HRM**.30/2017-**

- Single Window Operator – "A" shall perform the following **additional** duties:
- Passing and cash payment of all cheques/withdrawal forms/vouchers etc up to and including10,000/-
- Receipts of cash up to and including `.15,000/- and
- Passing independently transfer and clearing cheques, vouchers, etc. (both debit and credit) up to and including `.15,000/-.

Transactions restricted to Home Branch in CBS

Closure of Deposit accounts
Addition/Deletion of names in Deposit accounts. Change of address.

Change in Mode of operation Noting/Changing of Nomination Change of ownership of accounts. Modification of signature.
Issue of Cheque books.
Revocation of Stop Payment Instructions. Modification of SI.

Form15G/15H
Power of Attorney/ Mandate Settlement of death claims Discharge/Release of securities.
Lifting of Lien/Hold in a deposit account.
Disbursal of Loan/Release of additional facility / allowing excess in loan accounts. Closure of Guarantee account

GST Seeding in CBS for Customers

- To comply with the GST Regulations and to pass the input credit to the customers in respect of the GST collected from them, the Bank has to obtain the GST Number/s of the Customers and update the same at their CIF / Account level.
- Facility is provided in CBS for updation of the GST No. of the customers who submit/furnish the GST No. directly at the branch. The branches have to obtain a copy of the GST No.
- Registration Certificate (PID) as proof of allotment of GST No. And keep the same as the branch record and update the GST No. in the CIF.
- If customer provides only one GSTN of or seeding in different accounts held by them, the GST No. updated at the CIF level will be applied to all the accounts linked to that CIF.
- The GST No. furnished by the customers will be validated by the System for structural validity as above and if they match, the GST No. will be updated in CBS.
- In case of a mismatch in PAN No as per CIF and GST No., Branches have to advise the customer to provide the correct PAN with a copy of the PAN card and verify the same with PAN as per GSTNo., update the PAN in CIF and then seed the GST No in the CIF.
- In case of mismatch instate Code as per CIF and as per GST No. given by the customer, Branches have to advise the customer to provide the address (with proof for address) for the GST No. provided, for updation of the same at the account

level.

Updation of Multiple GST No for same customer in Account level:

- Whenever, a customer gives more than one GST Number, for updating in their various accounts maintained by the min different States linked to the same CIF, branches have to obtain the address proofs relating to each such GST Number now furnished by the customer and update the same in the respective accounts, at the account level, through the facility provided in CBS.
- For walk-in customers, who transact at our branches, such as purchase of DD, seeking NEFT transfer, etc., by cash, a facility in CBS is provided to enter their Name and GST No.(if provided by them)for complying with GST Provisions. Copy of the GST No. of the customer to be obtained and kept with the bank's records.
- Branches have to enter the GST No. provided by the walk-in customer and after the transaction is completed, an Invoice will be generated in the CBS, which has to be printed, signed, and given to the customer.
- With the invoice details only the customer will be able to get the benefit of input credit for the transaction.

SFVM Module

-Changes

Change in accounting in SFVM Module:

As per GST Regulations, the Bank is eligible for input credit at 50% of the GST paid on the purchase of capital goods and hence only 50% of GST paid would be capitalized along with the cost of the goods under SFVM and accordingly the SFVM module in CBS has been modified.

Creation of Vendor Master & Expenses Entry Screen in CBS:

- To enable the Bank to avail full input credit on all goods and services purchased/availed at branches and administrative offices, a Screen is enabled in CBS to capture the individual purchases of goods & availing of services. All expenses made by branches/offices, except interest and salary, will be routed through this screen, to capture all non-interest non-salary transactions which require GST Compliance.

- Further, to facilitate the branches to auto-fill certain regular details of invoices, a branch-level vendor Master needs to be created in CBS. **Accordingly, a facility for "Vendor Master" creation is made in CBS, to enable the branches/offices to enter the vendor details & purchase details and avail the full benefit of the input credits.**

Funds Book

OLRR –CBS Menu for processing Funds Book

CBS Menu

OLRR - Inward Cheque Clearing Enquiry -Multi Level Enquiry –Generation of OLRR Report Branches will be processing their branch funds book in their MENU itself. Branches **need not log into the Service Branch URL.**

- OLRR, this can be done by the individual branches themselves. The no. of failed records can be viewed from Scr No.9571.
- View Records will display the details of the branch from which the ICL file is processed and the. No Of records and their total amount.
- If different Service Branches have uploaded the Funds Book file pertaining to a particular branch, the same will be displayed one below the other with the total number of instruments and amount in Screen No. 9571.
- It is for the branch to process the funds book entries at their convenience but within the cut-off time as mentioned by the Service Branch. If the funds book is not processed within the cutoff time by the branches, then the Service Branch will automatically return the unprocessed entries without informing the concerned branches, for which the concerned branch alone will be solely responsible.
- The Authorizer at the branch can noted it any of the above fields like cheque no, Account Number, amount, and transaction date, which is captured from the uploaded file from the Service Branch. He/she can only pass or fail the funds book transaction.

BGL Head

BGL Head97234 (Non-Reconciliable)- CIBIL recovery charges Mapped to CGL 48041505016

MANDATE MANAGEMENT SYSTEM

- Branches should enter the data in the CBS menu. On passing the queue generated, the CBS system will generate the **Bank's Unique Reference Number (BURN)**, which should be noted in all three copies of the mandate forms.
- All accepted Mandates by the destination banks will be provided with the **Unique Mandate Reference Number (UMRN),** which has to be noted in the Mandate copy retained by the branch after verifying the “Report of Accepted Mandate”

Latest in CBS and Computers

Active Directory Password for SWIFT users

Password policy for Active Directory Logins for all the staff accessing SWIFT Alliance Access (Only) has been changed. When users try to log in to their PC via Active Directory, they will be prompted to change their password.

The password should be more than 17 characters and should have at least a Number, an Upper Letter alphabet, a Lower Letter alphabet and a Special Character. Further the following controls are applied to the PCs accessing SWIFT alliance access.

1. Dedicated operator PCs should be used for SWIFT purposes only.
2. Restricting access to only authorized operators with their respective names.
3. Remove all software including Bank's mail access, outlook, word, excel, etc.,
4. Only software allowed is Anti-malware.
5. Strictly no Internet/Email access in any SWIFT client PCs.
6. Disable DVD access.
7. All SWIFT client PCs should be in the domain and users should log in through Active Directory login only (All branches are advised to put SWIFT PCs strictly in Active Directory)
8. The BANCS link will be Disabled/Blocked in all SWIFT client PCs.

SKYPE

IP Message is replaced with Skype and E-mail solutions with effect from 31-12-2018.

- All Forex Authorized Branches are requested to use **Skype** (only) for sending SWIFT Authorization request letters.
- Skype should not be installed on the SWIFT alliance access PC.

Periodic KYC Updation

- KYC updation for all customers should be done once in two years for High-Risk Customers, once in eight years for Medium Risk Customers and once in ten years for Low-Risk Customers.
- To facilitate the branches in the KYC updation exercise, the CIFs that are due for KYC updation is ported in Help Desk->Important Messages for time-bound action->Compliance to KYC/AML guidelines->List No.7.
- Branches can access the list directly through the link http://10.100.6.213/cnet/dupcif/HI_RSK_2_KYC.aspx.
- Corporate Office is sending SMS to customers for submission of KYC to the Home branch. Branch should obtain the latest KYC from customers and update in CBS.

Updation of Beneficial Owners

UPDATION OF DETAILS OF BENEFICIAL OWNERS IN CBS FOR ENTITIES

- As per the extant guidelines and Master Directions of RBI on KYC, Banks are supposed to have with them the details of Beneficial Owner/s of entity customers.
- The latest circular in this regard is GENL 15/2018-19 dated 11/07/2018 wherein the Branches are advised to obtain the details of Beneficial Owners for entity customers, create a Personal CIF for them and create a relationship to the Non-Personal CIF as Beneficial Owner (Relationship Code:0043).

NOMINATION FACILITY

Introduction of the facility online and simplified Nomination facility in CBS in line with the online mode

The nomination facility is being extended by the Bank to all customers in respect of **Deposits, Safe Deposit Lockers, and Safe custody accounts**.

Facilitates a deposit account holder(s) (Individual or Sole Proprietor) or Safe Deposit Locker holder(s) to nominate an individual, who can claim the proceeds of the deposit account(s) or contents of the Safe Deposit locker(s), post demise of the original depositor(s) or locker holder(s).

For the ready reference of the Field level functionaries, the following is a quick recap of the salient features:

Nomination can be made at the time of opening the deposit/account or at any time later during the currency of the deposit/account.

The customer has to indicate his options in the account opening form whether he intends availing the nomination facility or not. If the customer does not want to avail the nomination facility, the same should be recorded in the opening form under his signature. (In the Account opening form on the 3rd page a provision is made under column **"Nomination"** as whether Nomination is required for this account/deposit as per details given in **Form DA 1 or** Nomination ***is not required" (Either of which the customer has to tick)***

- The Nomination shall be in favor of an individual only.
- Nomination can be made in respect of Deposits/Accounts which are held in the individual capacity or in the name of sole proprietary concerns only. If the proprietary concern changes the constitution (for example – as a partnership or limited company) the nomination made will stand canceled.
- Nomination shall not be made in favor of non-individuals such as temples, associations, institutions, etc.
- Nomination shall not be accepted in accounts held in any representative capacity such as accounts of Trust, Association, clubs, society or any other organization or any office bearer thereof in his official capacity.
- Nomination shall not be made if more than one person jointly deposits articles for safe custody.
- The depositor or the depositors together, shall nominate in the prescribed manner only one Individual to whom the amount of deposit shall be paid in the event of death of the depositor(s).
- In case of deposits in the name of minors, persons lawfully entitled to act on behalf of minors shall make the nomination.
- Where the Nominee is a Minor, the depositor(s) may while making the nomination appoint some other individual (lawful guardian) who is not a minor, to receive the amount/articles on behalf of the nominee during the minority of the nominee. The date of birth of the minor is to be noted in bank records.
- In the deposit of articles for safe custody, nomination can be made only if the deposit is made by a single individual or sole proprietary concern.
- In the case of safety lockers held by a single hirer, only one Individual can be named as a nominee. If the safety locker is held in joint names with the mode of operation as "Jointly", the hirers can nominate one or more persons, who shall operate the locker along with the surviving hirer. However, the nomination should not be accepted for safety lockers held in joint names with mode of operation with survivorship clause as "Either or Survivor" **or** "Anyone or Survivors" **.**
- Nomination, variation, and cancellation (as the case may be) shall be made in the prescribed formats as contained in the manual of instructions. If there are more than one depositor, variation and cancellation shall be done by all the depositors together.
- Making nomination, cancellation, and variation of nomination shall be acknowledged by the Bank in writing to the concerned depositor / s in the tear-off of the relevant duly completed form.
- If the depositor furnishes a mandate in the Nomination Form, the name of the Nominee can also be entered in the Pass Book / Term Deposit Receipt concerned. (In the nomination form a provision is made to this effect).
- Where the nomination is made in the prescribed manner, the nominee shall, on the death of the sole

depositor or on the death of all the depositors, as the case may be, become entitled to all the rights of the sole depositor or depositors in relation to such deposits to the exclusion of all other persons, unless the nomination is varied or cancelled.

- Normally, when a nomination is made as per the prescribed procedure and the same is not varied or canceled, Bank is bound to act as per the terms of nomination only and shall not take note of any third party claim unless it is supported by order of a competent court.
- While disposing the claim made by the nominee, the Registration No. which is mentioned on the PassBook / Deposit Receipt should be verified in the CBS system, inter alia, with other precautions, duly observed.

Consequently, the process of nomination in CBS environment also undergoes a change, while registering nomination both online and CBS, the need for creating CIF for nominee has been dispensed with.

Outstanding Liabilities

OUTSTANDING LIABILITIES (OSL) MENU FOR ACCOUNTING QUARTER END PROVISIONS.

For Quarterly closing of accounts on 31st March / 30th June / 30th September / 31st December branches/offices are required to provide for the "Outstanding liabilities" in the last month of the quarter/half year/year for the regular monthly revenue expenses like Electricity, Furnishing, Repairs/ Maintenance, etc.

Due to the introduction of GST, there was a change in the procedure that all expenses attracting GST are to be routed through Vendor Master/ GST Revenue Expenditure Screen.

As invoice is a pre-requisite for entering in the GST Revenue Expenditure Screen, there will be difficulty in keeping "Outstanding Liabilities" through the said Menu. In order to overcome this, an "Outstanding Liabilities" screen was introduced and enabled for earlier quarters and the same is enabled again for Branches/ Zonal Offices/ other administrative offices

The menu for accounting of outstanding liabilities (OSL) for quarter end provisions is enabled in CBS as given below.

Navigation >>>Menu>>>Branch Accounting (BGL)>>> Transfers>>>Outstanding Liabilities (OSL)

Important Points

a) Revenue expenses not booked only should be entered. Expenditure already incurred/booked should not be entered in this screen.

b) Do not include GST portion.

c) This entry will be automatically reversed by the system on 1st week of next month.

d) Two options are given

(O) entry for booking the expenditure

(R) rectification, if any

e) In the next month, the expenditure should be booked through GST Revenue Expenditure Screen as normal expenditure based on the invoice particulars. The system will take care of accounting.

f) Do not enter expenditure entries already lying under SRII, as it will inflate expenses.

SMA NPA DASHBOARD

SMA / NPA Monitoring Dash Board

SMA / NPA Monitoring Dash Board is developed for the use of Departments / Zones / Branches for monitoring of SMA0, SMA 1, SMA2 and SMASS and NPA position in their respective areas.

The salient features of the dash board are as follows:

- Dash Board is provided with vertical wise SMAs on Agri,MSME,Retail and Corporate Segments.
- Department can view the SMA position on Zone-wise, Branch-wise,SMA Category Wise, Segment
- / vertical-wise , Amount Range – wise, Product – wise, customer –wise and Account- wise etc.,
- Zones can view the data relating to their branches by selecting the above parameters.
- Branches can view the data relating to their branch by selecting the above parameters
- Drill Down is available up to account level
- Data can be extracted based on any combination of the above parameters – individual accounts / summary segment-wise.

Navigation:

CBS Helpdesk --> Menu Other Websites MIS Dashboard SMA / NPA Monitoring

MSME LOANS in 59

MSME Loan in 59 minutes

CONTACTLESS BANKING PLATFORM FOR MSME LOANS (psbloansin59minutes)

MSME entrepreneurs can submit his/her loan application with credentials like GSTN, PAN, Bank account Number for MSME unit online and get in-principle approval, from a Bank of his/her choice available in the platform, within 59 minutes.

The applicant can select the bank of his/her choice

Applicants can apply for loan amounts ranging from ₹ 1 Lakh to ₹ 5 Cr under PSB Loans in 59 minutes from any public/private sector banks or Non- Banking Financial Institutions (NBFCs).

The MSME entrepreneurs can access the platform through the following URL – website address: www.psbloansin59minutes.com

Our Bank Specific URL for accessing the platform by MSME entrepreneurs is:

www.psbloansin59minutes.com/indianbank

- By accessing through this URL, a potential MSME customer will be able to select one of our Bank branches only for submitting his / her application.
- The URL for accessing the platform by a Banker to view the loan applications received, download reports etc. :www.psbloansin59minutes.com/sidbi
- Bank also can use this platform for appraising the application received through the platform.
- The platform is enabled both for applications with collateral security (outside CGTMSE / CGSSI) and without collateral security (with Credit Guarantee cover).
- The expected TAT (from getting in-principle approval by the applicant in the platform to disposal of application i.e., disbursement of loan/rejection of loan) is 7 days for loans with Credit Guarantee Cover and for loans with collateral security, TAT is as per BCSBI (Banking Codes and Standards Board of India) norms.
- MSME CPUs will be linked immediately on the operationalization of respective CPUs. Other branches will also be linked in a phased manner.
- The above initiative is in addition to the existing UDYAMIMITRA portal available for MSME entrepreneurs to submit their loan application on line to a Bank branch of their convenience. Here the submitted application is forwarded to Bank unprocessed as a lead. Branches shall continue to exploit the advantages of the Udyamimitra Portal as per extant guidelines.

SANCTIONING AUTHORITY CODES IN CISLA SCREEN

Appropriate Sanctioning Authority Codes are not being selected by the branches while entering Loan / ODCC details in CISLA screen , particularly for the sanctions made by ZLSCC headed by DZMs.

Specific Sanctioning Authority Codes have been allotted for this category, as given below:

- 58: ZLSCC (CM)
- 59: ZLSCC (AGM)
- 60: ZLSCC (DGM)

If the branches are not getting the above values in the drop-down, apply the patch “Patch for latest Sanctioning Authority Codes in loans / cisla” available in Help Desk.

INFORMATION FOR PROJECT LOANS IN CISLA FIELD

For entering the information for Project loans a new field has been added in CISLA (Cisla fields

"Help Desk >> Branch Champion >> Patches for Bancslink>> "Patch for entering Project Loan details"

If project loan has been selected as "Yes” than branch has to enter the Date of Commencement of Commercial Operation (DCCO Date which should be a future date) and Sanction reference number.

CISLA MODIFICATION FOR CGTMSE

A drop down for selecting the name of Credit Guarantee scheme in CISLA Field 3 and % of Credit Guarantee cover for extracting account-wise information of Credit Guarantee Cover to the Loan accounts under various schemes.

Help Desk >> Branch Champion >> Patches for Bancslink>> "Patch for modification of CISLA field 3 (CGTMSE cover)"

List under drop-down

1. Not Eligible for Credit Guarantee Cover
2. CGTMSE
3. CGFMU for Micro Units (Mudra)
4. CGSSI for Stand UP India
5. CGFSEL for Edu Loan upto 7.50 L
6. CGSSD for Edu Loan (Skill Loan)
7. Credit Enhancement Guarantee for SC/ST
8. CRGFT for low income housing

OD Structured Data in CISLA

To enter OD restructured Date, Date of Commencement of Commercial Operation (DCCO), Date of Stock Audit and Closure of Stock Audit, Banking Arrangement, Lead Bank Name in respect of Consortium, Risk Rating, etc.,

Branch to enter details in CISLA FIELD 4

GO to CISLA screen under common processing; In CISLA FIELD 4

- OD Restru Y/N : If the account is restructured please select Y

o No of Time restructured ed like 1st, 2nd, 3rd

- Restructured date – two columns (first date and second date)
  For Loans – Restructured date to be changed in Loan amend screen
- DCCO Original Date : The menu is only for project loans
- Date of commencement of commercial operation (DCCO)
- DCCO Revised : The details to be given if the project is extended
- Rate of interest with other Bank : The rate of Interest for the same product from other banks
- Date of stock Audit & closure of Stock Audit : The date of commencement of Stock Audit and the stock
- Audit closure date to be given
- Banking Arrangement : Select from the drop-down Whether solo, Multiple, Consortium, etc.,

Lead Bank: Lead Bank Name in respect of Consortium
Risk Rating : Internal/External
Revised Asset Classification : Select from drop down standard, non CDR standard Restructured, doubtful, NPA etc.
Educational Loan Details
Income Limit, Course period in Months, Holiday period in Months, Repayment period in Months and CSIS

Income Limit : The Income Limit of the applicant/ co-borrower

Course period in Months: The Course period should be in months from earlier years Holiday period in Months: Holiday period should be given in months

Repayment commencement Date: Repayment commencement date should be given as MMYYYY

CSIS Eligible: To be selected from drop down like New CSIS, CSIS,PADHO PARDHESH, NOT APPLICABLE

KCC - SIMPLIFICATION

Introduction of KCC Module

For activating the KCC Module at branches, Patch No 252 for Implementation of KCC Module is required to be run in branch server. The navigation to the “patch” is as under – Patches for Bancslink for 2008/2012-Patches -Branch Champion-Menu -Helpdesk - Patch for Implementation of KCC Module (252)-Server

The following are the sub-menus under the KCC Module –

1. KCC Document Revival
2. KCC Registration
3. KCC Account Creation
4. KCC Limit Creation
5. KCC Security Creation
6. KCC Security Authorize
7. KCC Limit Approval
8. KCC Limit Amend
9. KCC Security Amend
10. KCC Enquiry/ Security Summary

Automation of GST in FX

Automation of GST on conversion of foreign currency transactions in EXIM Bills module w.e.f. 01.01.2019

Circular no. FX. 06/2011-12 dated 21.04.2011 on applicability of service tax on FX conversion and circular no. FX.10/2017-18 dated 19.08.2017 on GST applicable to transactions relating to conversion of foreign currency.

Calculation of GST on conversion of foreign currency transactions in EXIM Bills module has been automated. Branches / Offices concerned are advised to take note of the automation with effect from 01.01.2019. For other modules like Base leg transactions, Remittance module at Treasury Branch Mumbai, development is in progress.

EXIM Module:

1.For transactions carried out in EXIM Bills, System will calculate the applicable GST amount w.e.f. 01.01.2019. Branches to verify on real-time basis the correctness of a) GST Amount b) related CBS accounting entries.

2.Wherever GST is calculated by the system, branches need not report the entries to CO:ID at end of the month.

3.Transactions where GST is not calculated by the system (Ex.Cross Currency Transactions), branches have to deduct the applicable GST amount manually and report at the end of month to CO: ID.

Base Leg:

Branches have to deduct the applicable GST amount manually and such transactions are to be reported to CO:ID on monthly basis as per the existing format

Remittance Module at Treasury branch:

Branch to deduct the applicable GST amount manually and such transactions are to be reported to CO:ID on monthly basis as per the existing format .Each transaction routed through EXIM Bills will generate a credit under BGL 97357. To ensure accuracy of figures, branches are advised to verify on a daily basis that the number of transactions routed through EXIM Bills and those routed through Base Leg are all reflected under the said BGL.

Automation of Documentation Charges

Automation of Documentation charges (Account level) with Concession

Documentation charges debit has been automated for both loan and od/cc accounts at the time of sanction / enhancement of the limits in the approval screens (2420/12420)

The procedure for entering concession/discount for recovery of Documentation Charges is also available.

Branches to apply the patch available in

Help Desk >> Branch Champion >> Patches for Bancslink>>

"Patch for automation of documentation charges with concession/discount"

Revamping IB i-Freedom

REVAMPING 'IB i-FREEDOM CURRENT ACCOUNT' - 'Smart Account for Smart people'

The following products alone would be available for further account opening and the rest of the sub-variants would be subsumed in the main variant. The accounts maintained under all the variants would be brought under the umbrella Current account products as mentioned here below:

Product variant	MAB @	Product code
IB i-Freedom Cool	50000	2311 1361
IB i-Freedom Plus	100000	2311 1331
IB i-Freedom Prime	500000	2311 1301

@ Monthly average minimum balance

- As a customer centric measure, product interchangeability, conversion from/to normal current account/OD/OCC account etc. is being permitted at the branch level itself, to be carried out at any point of time.
- In case the specified monthly average balance under each product is not maintained continuously for 3 months, the products are to be converted into normal current account after prior intimation to the customer.

Digitization of Form 60

The following banking transactions require a PAN or Form 60.

1. Opening an account, other than a Term deposit and/or a basic savings bank deposit account / NRE / NRO.
2. Deposit in cash of over Rs.50,000.
3. Purchase of bank drafts or pay orders or banker's cheques with cash payment of over Rs.50,000 in a single day.
4. Opening of Term Deposit of amount exceeding Rs.50,000 or aggregating to more than Rs.5,00,000 during a financial year.
5. Wherever PAN is not available, Form 60 needs to be obtained every time the transaction is envisaged and the same is to be entered in CBS.
6. A Form 60 submitted for cash deposit transaction is valid only for a single transaction.
7. For doing another cash deposit or any other transaction as listed above, by the same customer even in same day, Branch should obtain another Form 60 from the customer and enter the same again in the system.
8. If the Form 60 is not obtained / entered the system will not allow the transaction to be completed.

The Navigation for entering the Form-60 details is:

•Customer Management >> Amend >> Customer Details (In the drop down option, please select 13: Form 60 details).

•Branches need to apply the patch available in Help Desk >> Branch Champion >> Patches >> Patches for Bancslink>>Digitilisation of Form 60.

Patch for blocking denomination less than 50paise in cash drawer is available in Help Desk :

- If the customer is having multiple accounts in various states under the same CIF and provides separate GST No. with relevant address for respective states, then GST Number can be seeded in the Deposit account or loan account by going to the menu in Bancs GST Seeding.
- Ensure daily updation of GST Reconciliation Template in MIS Portal id 15 without waiting till month end.
- GST Invoices are generated centrally by CO: Accounts Department. Branches are not supposed to issue manual GST Invoices to the customers.
- GST Invoices cannot be generated without seeding GST number and updation of GST Income Reconciliation Template in MIS Portal.
- GST Invoices cannot be generated for the period prior to seeding of GST number in the system.
- GST Invoices pushed by are available in the month end folder of CDC reports which can be downloaded by the branches.

Aadhar Seeding in Pension Master

Navigation: Help Desk → Other Websites→In House Applications → Aadhaar seeding status in Pension Master → Aadhaar Details

Concession/Exemption/Exemption Others

Validation for Concession/Exemption/Exemption Others menu in CBS

- From 04/07/2018 Concession/Exemption will be extended to such depositors only if the details of the Concession/Exemption certificate is entered in the system as advised in the CO: Accounts dept., notification dated. 04/07/2018.
- Concession/Exemption certificate Number will be accepted only if the format of the number is with Four Numeric, Two Alpha, Three Numeric and One Alpha (like 0215CN463A).
- Branches have already marked concession/ exemption for certain customer during the current final year. Branches have to once again redo the concession/ exemption on these accounts as per the revised guidelines.

Revamping of Term Deposit Products in CBS

With effect from 16.06.2018

CARD RATE PRODUCTS:

In order to reduce the number of existing product codes and to introduce the card rate products for above Rs. 5 crore term deposits, the amount wise segregations / selections in the front-end are being dispensed by introducing Tier-id methodology in the system.

Henceforth, while opening the card rate deposits, branches need to select the TYPE option “11-General” for any amounts varying from Rs 100 to Rs. 9999,99,99,999. (Instead of “11 for upto Rs. 15 Lakhs”; “26 for Rs.15 Lakhs to < Rs. 1 crore”; “28 for > Rs.1 crore upto Rs. 5 Crores”). Similarly, for Capital Gains, NRE TD, NRO TD, branches need to select their respective BASE TYPE OPTION viz., 17-Capital Gain, 19- NRETD, 39-NROTD for any amounts varying from Rs. 100 to Rs. 9999,99,99,999.

The existing term deposit accounts will continue till maturity which would be rolled over to the new product (according to the maturity value) for the same tenure on the date of maturity.

Printing Applicant Name in Demand Draft

It is mandatory to mention the name of the applicant/purchaser in the Demand Draft. For printing the Name of the Applicant, a patch is provided in the following path: Branch Champion-Patches-Patches for bancslink- **Patch for printing Applicant Name in Demand Draft**. While entering the details of Demand Draft with journal No. before printing, the name of Applicant has to be entered for printing the name of Applicant.

SWIFT OPERATIONS

SWIFT operations in all AD Branches (Presently SWIFT operations fully centralized)

- Adhere to the systems and procedures laid down for remitting funds through SWIFT MT 103 or MT 202 messages.
- All AD branches should use separate PC for SWIFT operations and CBS Bancs system. No internet, Cyber Roam, Data cards or pen drives to be used on these exclusive Computers dedicated for SWIFT.
- Generic users code has to be changed to SR numbers of the operating officers who will be verifying and authorizing the SWIFT messages at branch level. All AD Branches to provide names and SR Numbers of the officers who will be operating the SWIFT system mandatorily to Treasury Branch, Mumbai immediately under copy to CO ID.
- MT 202 has to be used only for Bank to Bank transfer of funds and only MT 103 format to be used for individual Customer fund transfer. Branches should not use at any cost MT 202 for Individual Customer transactions.
- Separate Currency wise and Amount wise limits will be fixed for each branch as per their turnover and transactions profile. Shortly each branch will be intimated and any change in the limits will have to be taken up with Treasury branch on case to case basis.
- All AD branches to note that SWIFT server will be down by 7.00 PM for security reasons and branches to adhere strictly to the time norms with immediate effect.

Inter Operable CO EX Financial Transactions in CBS at Branches of IB & e AB

To enable customers of both Indian Bank and Allahabad Bank (eAB) to carry out inter operable co- ex financial transactions (Cash deposit, withdrawal and Transfer transactions) in CBS, an accounting procedure is designed for implementation in all the Branches.

The following Non-Financial services are already provided to all the branches.

Non-Financial COEX Services in CBS	
Type of Service provided	Screen no in CBS
Balance Enquiry	F7
Signature Verification	F10
Deposits – Short Enquiry	400
Loans – Short Enquiry	10400
Deposits – Transaction Enquiry	450
Loans – Transaction Enquiry	10450
Customer Enquiry	60450

The following transactions are already enabled for the Branches

- Cash Deposit into Deposit accounts (SB/CA/CC/OD &RD/VRD)
- Cash Deposit into Loan accounts (LoanRepayments)
- Correction for Cash Deposit & Loan RepaymentTransactions
- Cash Withdrawal through Cheque fromSB/CA/CC/OD.

(As transaction through COEX mode will be treated as a **host branch transaction**, the cash withdrawal limit for IB customers at eAB is restricted **to Rs. 50,000/- per occasion** whereas for eABcustomers at IB, the withdrawal limit is Rs. **50,000/- per day** and the same is parameterized in eAB CBS. Therefore, in case of withdrawals of IB customers at eAB, the limit / transaction is to be checked manually through 450 screen).

- Correction for Cash WithdrawalTransaction
- Registering the STOP Cheque
- Funds Transfer between depositaccounts.

(Presently Intra Bank Funds Transfer is enabled (IB to IB transfer at eAB and vice versa). Inter Bank Funds Transfer will be enabled shortly and the date will be communicated through Help Desk.)

In the respective CBS Screen, where the interoperability is provided, a separate Check Box

- is provided at the top of the screen which is to be TICKED ( ) to proceed for Financial Transactions.

As the Customers' accounts of IB &eAB exist in respective CBS Data Servers, the above interoperable financial transactions (except STOP Cheque) are routed through eight intermediary BGLs.

These BGLs are not visible to branches and will be monitored centrally by the Reconciliation team in CO Banking Operations Department with support of CBS PMO.

All the interoperable transactions will be posted in CBS with System Teller number 9902018 and (Branch Code: 09921 for the transactions in IB CBS and with Branch Code:03495 for the transactions in eAB CBS) along with a unique 12 digit RRN (Routing ReferenceNumber).

Format of RRN in IB CBS > 0XXXXX000001 (XXXXX=Br CBS Code) Format of RRN in eAB CBS > 1XXXXX000001 (XXXXX=Br CBS Code)

Branches should meticulously check the following daily report with vouchers without fail and report the discrepancies if any immediately to the Reconciliation team (at CO: BOD) & CBS Help Desks (IB &eAB) for further action/ guidance.

- **CO_EX_ORG_Br_Trx_Report**
- **CO_EX_All_CHQ_STOP_Trx_Report**

While handling the Interoperable COEX Financial transactions like Cash Deposit / Cash Withdrawal through Cheque, the branch Teller must note down the Cash Drawer Balance without fail and proceed. Also, after completing any COEX Cash transaction, the Cash drawer balance & credit / debit in the account are also to be checked for confirmation.

Circular No ADMIN- 32 / 2020-21dated 08-06-2020

Further to Circular ADMIN - 46/2019-20 dated 20.12.2019 on the TDS rates applicable for the FY 2019-20 in respect of Payments made by Banks.

Section	Nature of Payment	Threshold Limit for deductionof TDS	Rates %	
			Individual/ HUF	Others
194 A	Interest other than securities on (by banks) -For Senior Citizens -For other deductees	Rs. 50,000/- Rs. 40,000/-	10	10
194 C	Payment to Contractors / Sub Contractors	Rs. 30,000/- for Single Payment	1	2
		Rs. 1,00,000/- for aggregate payment during the year		
194 H	Commission or Brokerage	Rs. 15,000/-	5	5
194 I	Rent of Land & Building orFurniture & Fittings	Rs. 2,40,000/-	10	10
	Rent of Plant / Machinery / Equipment	Rs. 2,40,000/-	2	2
194 IA	Transfer of Building or land(other than agricultural land)	Rs. 50 Lakhs	1	1

194 J	Professional / Technical Services, Royalty	Rs. 30,000/-	2 (FTS, certain royalties, Call centres)	10
194LA	Compensation on acquisition of Immovable Property	Rs. 2,50,000/- (TDS need not be deducted if Immovable Property is Agricultural Land)	10	10

There shall be no reduction in rates of TDS where the tax is required to be deducted at higher rate due to non-furnishing of PAN/Aadhar. For example, if the tax is required to be deducted at 20% under section 206AA of the Income Tax Act due to non-furnishing of PAN/Aadhar, it shall be deducted at the rate of 20% and not at the rate of 15%.

Reduced TDS rates on interest on deposits has been implemented in CBS and other rates will be implemented in TDS Vendor Module.

Circular No ADMIN- 82 /2020-21dated 07-12-2020

Introduction of new GST Invoice upload screen (for Branches/Offices with IB CBS)

GST has been implemented w.e.f. 01.07.2017 and has replaced erstwhile Service Tax and accordingly necessary changes were made to comply with GST related regulations.

Recently, Government has modified rules with regard to claiming of Input Tax Credit which states that the Input tax credit claim to be restricted to 110% of GSTR 2A/2B (uploaded by the vendor).

Hence it is necessary to match GST related expenditure transactions with the data uploaded by the vendor in GST portal (GSTR 2A/2B) on a regular basis to enable Bank to claim eligible input credit on time and correctly. Also it is necessary to store the copy of GST invoices for any further clarifications with regard to matching of invoices.

Accordingly, to comply with GST Regulations, current Invoice Acknowledgement screen(IA Screen) in CBS will be dispensed with and a new GST invoice upload screen is being introduced in In-house software application wherein uploading of invoices for GST related expenditure transactions is made mandatory.

CO: Accounts Department will match the transactions entered by branches / offices and the data uploaded by the vendor in GST portal (GSTR 2A/2B). Discrepancies in GST if any, will be informed to branches / ZOs to follow up with vendor on regular basis.

The nodal officer for GST/TDS at respective Zonal offices will act as the single point of contact (SPOC) for the branches under their control.

Kindly note,

1. For expenditure payable under Reverse Charge Mechanism (RCM) and expenditure where input credit is not eligible (Blocked credit), appropriate BGL to be selected from the list .
2. Zonal office / CO Department (other than branches) can pay invoices belonging to other state by choosing correct state code in new screen, where the state code should be state code of place of supply (POS) as per invoice.
3. By default, the state will be the state where the branch/offices are located and if case of change of POS only, it should be changed.
4. Special care to be taken while entering GST amount in respective columns i.e. CGST & SGST / IGST.

For any queries/help, please send email to gst_accounts@indianbank.co.in or call 044- 28134387/4391/4393/4525.

For technical help please call In-house team at CO: ITD 044-25269772. All Branches / Zonal Offices / Departments of various Offices are advised to take note of the above changes and vouch accordingly in CBS.

Circular No ADV-57/ 2020-21 dated 09.06.2020

Updation of Property Valuation Details in CBS

For advances secured by immovable properties (Land/Building) as primary or collateral, it is necessary to get it valued by an empanelled engineer of the Bank before granting of the advance. Land and building will be valued at realizable value#, not older than three years. {# In respect of Home Loan Schemes (for acquisition/ construction of house property), Plot Loan Scheme, Market value to be considered}.

It is necessary to maintain the required data in CBS and hence 5 additional fields were created in CBS, Navigation is **DL/TL "Security /Collateral "Create"** as well as **"Amend" fields under security type:22- Equitable mortgage".**

Sl.	Particulars	Guidelines for Updation
1	Date of Original Valuation	Date to be entered as per the valuation report
2	Original Valuation(Amt in Rs)	Market Value of the Project/Flat/Dwelling Unit as per EVR report.In case of two valuations lower of the two to be Considered
3	Date of Latest Valuation	Latest date of valuation as per valuation report

4	Latest Valuation (Amt in Rs)	Revised Market Value of the Project/Flat/Dwelling Unit as per latest EVR In case of two valuations lower of the two to be Considered.
5	Date of Expiry of Valuation	Auto Fetched from CBS after updating/ amending the fields.

Branches are advised to update the data in CBS covering all loan accounts falling under

1. Corporate Credit,
2. MSME,
3. Rural Banking Department and
4. Retail Assets

where, immovable property(ies) has/have been mortgaged to our bank asprimary/collateral.

Directions to Branches:

- Branch Managers are advised to take note of the new fields added in CBS and ensure updating of the above fields while opening new accounts.
- All existing Accounts wherever Mortgage of Immovable Properties (irrespective of Primary/Collateral) are involved –the above fields are to be updated.

Receipt of funds in routing BGL through RTGS(GENL-09/2020-21) dated 11.06.2020

Our Bank has abolished Deposit Parking Account and introduced BGL Routing Account (98741) with effect from 10.02.2013.This routing Account was enabled to receive NEFT but not RTGS.

Due to this all the funds remitted through RTGS to routing accounts got rejected at CBS .CO RTGS Cell manually accepts such high value remittances and advises Mumbai Fort Branch to credit the amount to respective branch through C2C.In Cases like Holiday at Mumbai Fort Branch or delayed receiving of remittances at Mumbai Fort Branch Proceeds of such remittances could not be credited to respective branches on the same day resulting in customer complaints and demand for interest on delayed credit.

After enable of receipt of Funds through RTGS in the routing BGL ,Branches can inform the routing BGL Number to the prospective depositors and other Bank Currency Chest for transfer of Funds through RTGS.

Introduction of New Interest Rate Module (NIRM) in Core Banking Solution (Bancs)

(ADV- 97 /2020-21 dated 05/08/2020)

Bank is in the process of migrating the application of interest rates for all borrowal accounts to New Interest Rate Module (NIRM) in the Core Banking Solution (Bancs).

Internal rating is the base of risk assessment and appraisal based on which the credit and pricing decisions are taken by the Bank.

Changes in CBS:

Finer Rate Adjustment

1. Finer Rate Adjustment: The existing methods to provide rate increments in loan and CC/OD accounts have been disabled.
2. Expiry Rate CC/OD Limits: Branches will not be able to enter CC/OD limit expiry rate while creating/amending CC/OD limits manually. The expiry rate of the sanctioned limit for the newly opened accounts will be auto populated by CBS and the same is to be verified by the Branch after creation of limits through overdraft enquiry.
3. Credit Rating: Provision is made in CBS to get concessional ROI by assigning Credit rating at account level for both new and existing loan and CC/OD accounts. This is applicable only for accounts under products where preferential rate of interest is applicable based on the rating of the account and mapped to the product code in CBS.
4. Interest Rate Enquiry Screens: New screens are available in CBS to display /verify the interest rate components applicable as per accounts and products.
5. Allowed Benchmark Rate (ABR): The workflow for selection of ABR for new loans and CC/OD accounts and amendment of ABR in existing accounts has also been provided.

FUNDAMENTALS OF COMPUTER, CBS GENERAL

• CD ROM- . Compact Disc –Read Only Memory. It is Secondary storage device

• Software - A set of programs associated with the operation of the computer. eg Microsoft Office

• Operating systems: The software that supports a computer's basic function. Operating system allows users to run other software's in the computer. Eg :Windows XP, Windows 7, Windows 8.1, Linux, Windows 10

• URL- Uniform Resource Locator or simply the name of a website eg: www.indianbank.in

• A network of network is called as Internet or World Wide Web (www)

• Interconnection of computers within the same building is called Local Area Network (LAN)

• GUI is Graphical User Interface.

• Binary System is a numbering system with only 2 digits.The digits used in the binary system are 0 and 1.

1 Kilo Byte = 1024 Bytes

1 Mega Byte = 1024 Kilo Bytes 1 Giga Byte = 1024 Mega Bytes 1 Tera Byte = 1024 Giga Bytes

1 Peta Byte = 1024 Tera Byte

• MODEM is the abbreviation of Modulator – Demodulator (it modulates and demodulates data signals).

Modem connects the leased line/ telephone line to the PC for data flow.

• Router is a device which is used for routing data packets. It stores and forwards data packets between LAN and WAN

• PING is an abbreviation for Packet Internet Groper, which indicates whether a particular device is accessible, or not in a network. Used to check connectivity. Eg in Command prompt type ping 10.122.89.29 –t to check whether the computer with the IP address 10.122.89.29 is accessible from your computer.

• IP Address :Every machine in the computer network has an address called IP (Internet Protocol) Address which identifies the machine in the network and it has format like 10.29.20.113

• ISDN - Integrated Service Digital Network

• Gateways are devices which are used to interconnect two dissimilar networking computer systems

• VSAT- Very Small Aperture Terminal

• Ransomware is a malware which attacks the data of victim's computer, locks by encryption and demands money for decyption.

• Social Engineering: Refers to all illegal activities in Cyber world. eg: Skimming, Phishing,Vishingetc

• ADEPT- Automated Data Extraction Project related to data cleaning. There are 2 types are error lists– one Customers error list and another Accounts error list.

• Data Centre which hosts the critical servers holding our CBS Data are situated at CHENNAI

• Disaster Recovery (DR) Site is situated at Hyderabad

• The following are required to log into Core Banking Application - Both password and Biometric

• Antivirus Software to protect the computer systems in our bank –Symantec

• Phishing, Vishing,SMShing come under the type of attacks. (Social Engineering)

• Phishing mail is an attack that sends a fraudulent mail/ purported to be a from a trusted source and trick the recipient to divulge his/her personal.

• SMShing is an attack that uses SMS (short messaging services) technology to phish for individuals' sensitive personal information, such as Social Security numbers or user names and passwords for online banking.

• Vishing is making phone calls or leaving voice messages purporting to be from reputable companies in order to induce individuals to reveal personal information, such as bank details and credit card numbers.

• A type of malicious software designed to block access to a computer system until a sum of money is paid- Ransomware

• A malware that uses intimidating and fear messages to frighten users into purchasing the product online- Scareware

• A software that automatically displays or downloads advertising material such as banners or pop- ups when a user is online-Adware.

• A software that is available for use at no monetary cost- Freeware

• Wannacry and Petya are types of Ransomwares

- The following are required to protect the computer systems from viruses and malwares-Updated Antivirus software and Updated Operating Systems
- Windows, Unix, Linux and HP- UX are operating Systems
- The operating system used in the computer systems at our branches and administrative offices –

Windows

- Adobe, Free studio and Skype are types of free wares.
- A technique used by fraudsters to capture card details by planting a device in ATMs- Skimmimg.
- Social Engineering attacks like Phishing, Vishing, SMShing can be prevented only through Customer Awareness

Introduction of Power BI Reports available at CBS HELPDESK for Branches and Zones

A dedicated on-premise Power BI server & other associated infrastructures have been procured & configured, to facilitate access to Power BI Dashboard.

Power BI (Executive Dashboard) is a comprehensive dashboard which has been developed to provide an at-a-glance visibility into Business Performance across all levels (Branch / ZO / FGMO / CO). The Power BI Dashboard consists of numerous templates covering major parameters viz., Business Position, Trend, Profitability, SMA/NPA Level, Digital Enrollment position, etc. developed, based on input / suggestions received from respective user departments. In addition to this, various other templates are in pipeline and shall be implemented in due course. The dashboard is now open for access by all field level functionaries over Intranet as well as internet connection. Navigation for accessing the dashboard is as follows: CBS Helpdesk ->MIS Corner-> Power BI URL: http://10.100.28.118/Reports/powerbi/Business

MONITORING THE END USE OF AGRICULTURAL LOANS

In order to ensure monitoring of End Use of Funds (EUF) on loans sanctioned to Agriculture sector, a field to capture end-use verification done by BM/ABM/Loan Officer/RDO has been created in CBS. All the loans sanctioned under Agriculture sector from 15.07.2020 should carry EUF details in CBS.

Navigation for End-Use of Funds (EUF) verification is Common Processing>>CISLA>> CISLA Additional Details>> Verification of End Use of Funds (EUF).

The officer who verifies the end-use of funds has to providethe following details:

1. EUF Verified by – BM / ABM / Loan Officer / RDO (select from drop down menu)
2. Date of verification of end-use of funds
3. Details of end-use verification (Max. upto 50 characters – alphanumeric & symbols)

The effective monitoring of the end use of funds lent is of critical importance in safeguarding a bank's interest. Further, this would also act as a deterrent for borrowers to misuse the credit facilities sanctioned, and in the process, help build a healthy credit culture in the Banking system.

Project Sangam - CBS Technical Merger

Key Changes for Customers:

• IFSC Code will be changed for e-ALB Branches

• Net Banking and Mobile Banking Application.

• Change in MICR/SWIFT for e-ALB Branches.

Platforms available for the Customers to raise queries/issues:

Customers can originate their issues through various channels, viz., Branch- Customer can reach out to the Branch

Customer Grievance Redressal System (CGRS)- Portal is available to address the concerns/issues of the customers.

Customer Portal in Website- Dedicated customer portal is available in our Website.

Call Centre- Customers can reach out to Call Centre. Social Media and E-mails

Introduction of new menu in CBS – Waiver of Legal Action (WLA)

It is mandatory on branches to renew the cover documents within the prescribed time or else the documents will get time barred.

To keep control over the limitation period of loan documents, a monthly report is being pushed to all branches as "DPN_remaning_dpn25.txt - DPN remaining without renewal between 30 to 36 months from the Dt. of Execution for the month ended AUH - 1A

As of now, those accounts in which Waiver of Legal Action has been permitted is also reflected in the above report, which does not reflect the actual position of Time Barred DPNs (TBDPNs) in a branch.

To overcome this, a new menu has been introduced in CBS, the navigation of which is as follows –

Overdue / NPA Waiver of Legal Action Overdue/NPA Common Processing

In the first Screen 3 fields viz. (1) Account No., (2) Function – Create / Amend / Enquire / Delete and (3) System – Loan / Deposit, are provided. (Create-is for new entry, Amend-is to correct the entered details,

Enquire-is to view the details updated, Delete is to remove the wrongly entered details and to amend the correct data as and when required)

After filling the relevant details in the above fields and transmitting, the second screen will open.

In the second screen we have to select / fill

(1) Sanctioning authority of Waiver of Legal Action (AGM-ZM, DGM-ZM, GM-ZM, ZLCC, FGM and Corporate Office) from the drop down boxes,

(2) Date of sanction and

(3) Sanction Reference No. (All the three fields are mandatory). After transmitting, a queue will be generated, which is to be authorized.

INSPECTION & AUDIT

✓ **Introduction**

The evolvement of financial instruments and markets has enabled banks to undertake varied risk exposures. In the context of these developments and the progressive deregulation and liberalisation of the Indian financial sector having in place, effective risk management and internal control systems have become crucial to the conduct of Banking Business. Internal Audit function has already been strengthened by converting it into “Risk Based Internal Audit” (RBIA) by bringing Risk focus into the Concurrent Audit (CA) and Information System Audit (IS Audit), Internal Audit focuses on evaluating both present and future risks, facilitates prompt intervention/ early corrective action.

✓ **Roles & Responsibilities**

The Inspection & Audit Department shall be independent from the internal control process in order to avoid any conflict of interest and shall be given an appropriate standing within the bank to carry out its assignments. It shall not be assigned the responsibility of performing other accounting or operational functions. The Management shall ensure that the Inspection & Audit Department staff perform their duties with objectivity and impartiality. The Inspection Head shall report to the Board of Directors/Audit Committee of the Board.

The internal audit function shall be carried out by Inspection & Audit Department of the Bank and will function under those policies, which have been established by the Management and approved by the ACB/BOARD. It shall be an independent appraisal function established to examine and evaluate the Bank’s activities.

✓ **Organization structure**

Organization structure for inspection system comprises –Audit Committee of the Board (ACB), Audit of Committee of Executives (ACE), CO: Inspection & Audit Department, Inspection Centres (ICs) and Zonal Audit Committee of Executives (ZACE).

✓ **Risk Based Internal Audit**

RBI vide Circular No. DBS.CO.PP.BC.10/11.01.005/2002-03 dated December 27, 2002 provided a guidance note on Risk Based Internal Audit. Further, GOI constituted a committee under the chairmanship of Shri. Basant Seth to revamp the audit system in PSBs in wake of the increasing computerization and shifting of operations on I.T. based system. Accordingly, the recommendations of the committee have been incorporated in the Bank’ Policy. Risk Based Supervisory process, a shift from AFI, has commenced w.e.f. 01/04/2013 in the Bank.

The risk based internal audit undertakes an independent risk assessment solely for the purpose of formulating the risk-based audit plan, keeping in view the business risks of an activity/location and the effectiveness of the control systems, for monitoring the inherent risks of the business activity. It is emphasized the at while formulating the audit plan, every activity/ location of the bank, including the risk management function of the unit, shall be subjected to risk assessment by the risk based internal audit.

✓ **Objectives of RBIA**

The objectives of risk-based internal audit includes the review of the systems for ensuring compliance with money laundering controls, identifying potential inherent business risks and control risks, if any, suggesting various corrective measures and undertaking follow up reviews to monitor the action taken thereon. The main objectives of RBIA are: -

a) To assist the Bank to achieve its objectives.

b) To provide independent and objective assurance to the Bank that its risks are being mitigated to an acceptable level and to report where they are not.

c) To put in place a risk assessment methodology which, amongst other things, would enable development of independent risk assessments, capture the applications and effectiveness of risk management procedures and assist critical evaluation of internal control systems for formulation of a risk based audit plan and ensuring deployment of audit resources according to risk profiles of the auditee units.
d) To provide basis for risk audit scoring of the auditee units based on evaluation of their risk profiles, risk management and control procedures and results of any substantive audit tests / procedures performed by the auditor.
e) To enable the Inspection activity to serve as an independent, objective assurance and consulting activity.
f) To define and design suitable risk based internal audit strategy commensurate with the underlying risks, organizational structure and needs for implementation. The scope of internal audit shall encompass the examination and evaluation of the adequacy and effectiveness of the Bank's system of internal control and the quality of performance in carrying out assigned responsibilities.
g) To evaluate the capability and performance of the branch in assessing, controlling and mitigating different risks in areas of the activities like Credit, Earnings, Business Strategy and Environment, Operations and Internal Control to ascertain the risk level of the functional areas of the branch and evolve audit plan to conserve scarce audit resources.
h) To follow up with the branches /offices for rectification of the deficiencies/ irregularities reported with a view to ensure improvement in rating.
i) To test the integrity, reliability and timeliness of control returns /reports.
j) To ensure adherence to Legal and Regulatory requirements.

- ✓ **Risk Assessment**

The risk-based internal audit undertakes risk assessment solely for the purpose of formulating the risk-based audit plan. Risk assessment is done for all business units,
including central processing units and Administrative Offices.

The risk scores obtained by the branches under RBIA, both under Control Risk and Business Risk, are converted into risk category/Grade as under:

Risk Grade	Risk Score
High	< 50%
Medium	50% to 70%
Low	>70%

- ✓ **Risk rating Matrix & Grading**

According to the interaction of Rating under Business risk areas and ratings under control risk areas as per Risk Matrix given below, the Branch is rated as Low risk / Medium Risk / High Risk / Very High Risk / Extremely High Risk.

On Y Axis Inherent Business Risk- Low- Medium- High
On X Axis Control Risk- Low- Medium- High

↑

A High	B Very High	C Extremely High
D Medium	E High	F Very High
G Low	H Medium	I High

↓ Low Medium High

←Control Risks→

A – High Risk- Although the control risk is low, this is a High Risk area due to high inherent business risks

B – Very High Risk- The high inherent business risk coupled with medium control risk makes this a Very High Risk area

C – Extremely High Risk – Both the inherent business risk and control risk are high which makes this an Extremely High Risk area. This area would require immediate audit attention, maximum allocation of audit resources besides ongoing monitoring by the bank's top management.

D – Medium Risk – Although the control risk is low, this is a Medium Risk area due to medium inherent Business risks.

E – High Risk – Although the inherent business risk is medium this is a High Risk area because of control risk also being medium.

F – Very High Risk – Although the inherent business risk is medium, this is a Very High Risk area due to high control risk.

G Low Risk – Both the inherent business risk and control risk are low.

H-Medium Risk - The inherent business risk is low and the control risk is medium.

I - High Risk – Although the inherent business risk is low, due to high control risk, this becomes a High Risk area.

- **High Risk**

a. The audit report shall be graded as high risk where the audit findings highlight significant issues requiring urgent management action.

b. Audit findings of the following nature shall result in the Inspectors grading a particular Branch/Department / Operation as high risk:

- A weakness in the internal control system which presents a significant risk of error that may have a material impact on the financial statements of the Bank.
- A weakness where the risk of error, though less likely, involves amounts which may have a major impact on the financial statements.
- A weakness which puts the assets of the Bank at risk; and/or a fraud or suspicion of a Fraud.

- **Medium Risk**

a. The audit report shall be graded as medium risk where the audit findings highlight less significant issues requiring management action.

b. Audit findings of the following nature shall result in the Inspectors grading a particular Branch/Department / Operation as medium risk:

1) A weakness in the internal control system which presents a significant risk of error but will not have a material impact on the financial statements.

2) Constructive suggestions which might result in significant improvement in efficiency or reduction in cost.

3) Improvement relating to the prevailing regulatory environment or procedures which are necessary to avoid minor or technical breaches.

- **Low Risk**

a. The audit report shall be graded as low risk where the audit findings highlight trivial issues which require to be brought to the attention of the management but do not warrant any action.

b. Audit findings of the following nature shall result in the Inspectors grading a particular Branch/Department/Operation as low risk:

I. Sundry omissions in complying with prescribed policies and procedures of the Bank which do not have a material impact on the internal control environment.

II. Isolated errors.

III. Sundry regulatory related errors which have been rectified and which are unlikely to cause criticism from the regulatory authorities, shareholders and customers.

IV. General suggestions relating to efficiency of staff or activity.

✓ **Zero Tolerance Areas (ZTA)** are identified in the Rating Chart which is to be compulsorily complied with. Noncompliance of any one or all of these areas will result in the branch being rated as "High Risk". Staff Accountability shall be initiated for Non-compliance of Zero Tolerance Areas. The identified ZTA irregularities should be rectified within 45 days. The following areas are classified under Zero Tolerance categories: -

- Non creation of EM / MOD.
- Non creation of charge over securities CERSAI, ROC registration.
- Exceeding Discretionary powers.
- End use not verified, No pre/ post sanction visit of unit, EM visit to EM property not on record.
- Incidence of fraud due to weakness in internal control.
- Special reports pending for closure.
- Non reconciliation of impersonal heads of accounts, manual debit in BGL heads.
- Time barred DPNs.
- Incomplete or blank documents, insufficient stamp duty.
- Non-compliance of KYC, due diligence not complied for loan or deposit accounts.
- Reference to CIBIL/RBI defaulter list/ SAL/ ECGC restricted list not available.
- Revenue leakages identified, pending recovery.
- Non submission of stock statements.

✓ **Audit Plan- Schedule & Cycle**

The annual audit plan, approved by the Board, shall include the schedule and the rationale for audit work planned. It also includes all risk areas and their prioritization based on the level and direction of risk. Accordingly, the following Schedule of RBIA audit is drawn-

Sl. No.	Risk Rating of branches/units	Periodicity of audit from the date of Commencement of previous inspection	Extension permissible by GM (I&A)
1	Low Risk	18 months	3 months
2	Medium Risk	15 months	2 months
3	High Risk	12 months	1 month
4	Very High/ Extremely High Risk	9 months	1 month
5	Newly opened	First inspection within 6 months from the date of opening	3 months
6	Low/Medium risk branches (i) Located in border areas of the country or (ii) total advances is Rs.100 crores & above (excluding LOD & JL) as on previous March	12 months	1 month
7	Large Corporate/SAM Branches	12 months	1 month
8	Foreign branches & Foreign Branches on Indian soil (like Gift City)	12 months	----

✓ **Coverage of RBIA**

Risk Based Internal Audit will cover the following accounts:

a) All loan accounts sanctioned/renewed /restructured/disbursed from the date of last inspection/RBIA to the date of present RBIA.

b) Loan accounts where serious/critical irregularities viz., Incomplete security documents, defective / imperfect mortgage, dilution of security, diversion of fund, transgression of discretionary authority, non-compliance of terms of sanction, etc. were pointed out in the last RBIA/ Inspection Report/Special reports but not yet rectified.
c) Top 100 borrowal accounts.
d) All Staff/Staff related loans.
e) All standard loan accounts above Rs 10.00 lakhs sanctioned/ disbursed/ renewed/ restructured five years prior to the date of inspection. As per Staff Accountability Policy, irregularities mentioned during Inspection during the last four years or two Audit cycles will be the basis for the Staff Accountability study. Hence all accounts sanctioned during the last five years will be covered during the regular inspection.

In the above mentioned category of accounts, Risk Based Internal Audit covers cent percent verification of all documents of loans and advances, including adherence to terms & conditions of sanctions, compliance terms with regard to OTS/compromise settlement, verification of various assets, as listed in the Inspection Manual, checking the accuracy and reliability of all accounting data, adherence to procedures in deposit accounts, and presentation of the report in the prescribed format.
The Inspector should ascertain whether all borrower accounts have proper sanction (within delegated powers) and documentation & securities both primary and collateral (wherever applicable).
Special focus to be given to ensure that proper assessment, appraisal, sanction, documentation and security (wherever applicable) are available.

✓ **Inspection/Audit of Offices other than Branches**

Regular inspection of Zonal/ Regional Stationery Depts, DeVA centre, CMS HUB, Service Branches, and all CPUs (RAPC,MAPC,CAPC, CPPC, GBSB, DAMC, FXCPC, CDPC, Corporate Branches etc.) and other independent set up that are proposed in future will be conducted Annually.

✓ **Hiring experts for Internal Audits**

RBI Vide cir RBI/2020-21/83 Ref.No.DoS.CO.PPG./SEC.04 /11.01.005 /2020-21 January 07, 2021, conveyed that “the internal audit function shall not be outsourced. However, where required, experts, including former employees, could be hired on contractual basis subject to the ACB being assured that such expertise does not exist within the audit function of the bank.

✓ **Snap Audit**

Snap audit covers select branches with specific reference to house-keeping problems. Respective IC Head may take a decision for Snap Audit of Branches based on the serious nature of the findings in the Inspection reports / based on the views of Zonal Office/ the level of compliance/ the level of rectification of irregularities/ on occurrence of a fraud. Such audit may not exceed 3 days. Satisfactory compliance by Branch/ZO shall be discussed in ZACE and accepted for closure.

✓ **Information System Audit**

RBI/2010-11/494: DBS.CO.ITC.BC.No. 6/31.02.008/2010-11 dated 29.04.2011 (Recommendations of Gopalakrishna committee) RBI CSITE circular DBS.CO. CSITE. No.3056/31.01.015/2017-18 dated 14.12.2017. All CBS branches/ Departments and all other offices of the Bank wherever computers are installed shall be subjected to Information System Audit (IS Audit) as per IS Audit Policy.
The IS audit assesses the strengths and weaknesses of the Information Systems. It also assesses whether each Information System actually translates itself into an effective tool to meet the business goals of the organisation. The following major benefits are expected from the conduct of IS audit:

i. IS audit can be equated to a diagnostic tool. IS audit can bring to light the weaknesses/ lapses in implementing and handling of IT assets which will help to identify the risk arising out of non-compliance of laid down guidelines in safeguarding
the IT assets, necessitating follow-up action / remedial measures by the authorities concerned in the organisation.
ii. Regular conduct of IS audit would deter people/employees/users from indulging in manipulation of data, frauds etc. Any laxity in the controls/security of the Information Systems can be minimised effectively. Proper and timely follow up action on IS Audit report by the authorities concerned, will provide the Management reasonable assurance about the functionality of the Information Systems.
iii. Security features and controls in a computerised Information System could be assessed and be taken up for further improvement.
iv. IS audit assesses the health of the Information Systems in an organization. The observations / findings emerging from an IS audit shall influence the decision making process of the Management on IT Asset safeguarding and utilisation.
Adherence to guidelines may result in:
i. Effective allocation of available IT resources.
ii. Protection of Information assets through various controls will prevent the possibilities of misuse leading to avoidable loss.
iii. Ensures achievement of organisational goals - viz Business and profit maximization through effective, efficient and optimal use of computer hardware and other allied resources.
iv. Maintenance of Data Integrity.

- ✓ **Revenue / Expenditure Audit**

This type of audit is conducted with a view to verify the accuracy, relevance of expenditure incurred & incomes earned by the Bank according to laid down guidelines.
i. TOP 100 branches business-wise as on previous March/September will be subjected to Income Expenditure audit by Inspection Centres.
ii. All branches having total business of Rs.10.00 Crore and above are subjected to Income/ Expenditure audit by Zonal Offices
iii. For branches having total business of less than Rs.10.00 Crore, such exercise shall be carried out along with regular inspection of the branch.

- ✓ **Compliance Audit:** Inspection Centres shall carry out compliance audit on random basis to verify compliance for the rectifications submitted for irregularities in RBIA particularly in case of branches rated High risk and above.

- ✓ **Currency Chest Audit is** carried out bi-monthly in conformity with RBI guidelines.

- ✓ **Management Audit:** Under Management Audit, the inspector examines the efficacy of management, evaluate and report on the adequacy and reliability of the existing systems to ensure that laws, regulations, internal policies and procedures are meticulously followed and the work is carried out as per delegation of power, defined procedures and Corporate Office guidelines to reach organisational goals.

- ✓ **Concurrent Audit**

Further to recommendations of the Expert Committee appointed by RBI in the area of Concurrent Audit, the existing guidelines on the subject have been reviewed and vide Circular No. DBS.CO.ARS.No.BC.01/08.91.021/2019-20 dated 18.09.2019. RBI has published the revised guidelines for review of the present system of Concurrent Audit.
Our Bank had implemented concurrent audit system to comply with the RBI guidelines so as to supplement the efforts of the Inspection & Audit Department to strengthen the internal control system. Concurrent audit aims at shortening the interval between a transaction and its independent examination.

Guidelines of RBI on Cash transactions, Clearing transactions, Remittances (including SWIFT), Deposits, Housekeeping including audit of internal accounts maintained, Lockers, Safe Custody of Securities, Investments, Treasury operations, Overdue Bills, Exercise of Discretionary Powers, Sundry and Suspense Accounts, Loans & Advances, Foreign Exchange Business including reconciliation of Nostro Accounts, KYC verification for advance remittances, Scrutiny of Bills of lading, compliance with FATCA & CRS, Off Balance Sheet items like LC/BG, etc. are to be complied and observations to be recorded in the eTHIC software for Concurrent Auditors. More focus has been given on control measures on fraud prone areas.
At least 70% of aggregate advances and other risk exposure of the Bank should be covered under concurrent audit on an on-going basis.

✓ **Coverage of Branches:**
While selecting branches for concurrent audit, risk sensitive areas identified by Bank as per their specific business models are ensured. Special thrust should be given to advance oriented branches (excluding Jewel Loans, Loans against Deposits and food credit from the advances portfolio) and branches rated as high risk or above in the last Risk Based Internal Audit (RBIA) or serious deficiencies found in Inspection. Audit Committee of Executives / Zonal Audit Committee of Executives may also identify the branches and other units / offices for concurrent audit from time to time.
The following branches should be covered under concurrent audit
i. All Forex authorised branches.
ii. All branches attached with Currency Chest (to comply with the directions of RBI on verification of Currency Chest Transactions and balances by Concurrent Auditors of Banks).
iii. All branches with advance (other than LOD, JL, Food credit & NPA accounts) level as of MARCH of the year above Rs.40 crores.
iv. CO: Departments like Treasury, SWIFT Centre, FXCPC, ATM Service Centre, Credit Card Centre, HRM, Stationery and Premises & Expenditure Departments.
v. All High risk branches, in which total advance of the branch is above Rs.25 Crores (excluding JL, LOD, Food credit & NPA accounts) as on March of the year.

✓ **Coverage of Other Business Units:**
All Central Processing Units viz. RAPC, MAPC, CAPC, CPPC, GBSB, Service Branches, Deva Centre, RTGS/NEFT Cell, DAMCs etc are covered under concurrent audit. Any other branches or departments, where in the opinion of the Bank, concurrent audit is desirable, may also be covered under the Concurrent Audit.
In case of branches located in remote / rural areas, CPUs, otherwise eligible for concurrent audit, where qualified / suitable concurrent auditors are not available, GM(I&A) may consider conducting of periodic audit instead of concurrent audit.

✓ **Offsite Monitoring**
Shri. Basant Seth Committee, advocates for a strong audit system, well supported by the Offsite Monitoring Cell through System generated Reports / Management Information System. The nature of activities and operating environment of Banks are, by virtue, vulnerable to risk when business growth is placed on higher trajectory. To mitigate the risk a mechanism of strong internal controls is required to be in place. Hence, Bank has put in place an Offsite Monitoring System in compliance with the RBI guidelines, other regulatory compliance and to strengthen the internal control system. The Offsite Monitoring system will be a part of Bank's Early Warning System to detect irregularities and lapses, which helps checking repeated/recurring violations of internal and regulatory guidelines, controlling risks and in preventing fraudulent transactions and reducing financial crimes.
The purpose of this Policy is to create a Proactive Frame Work of Bank's transactions which deviate from internal guidelines and/or banking transactions which may attract/pose threat and risk. The Offsite Monitoring Cell covers early detection, monitoring so that corrective action

can be taken at the earliest and also enables proper reporting of banking transactions which deviates from Bank's extant guidelines.

The Functional Departments at CO for closing/handling different alerts shall be as under:

i. CO: CMC for Credit related Alerts

ii. CO: R & GR for all liability related alerts

iii. CO: BOD for BGL related alerts

Alerts are generated on daily/weekly/fortnightly/monthly/quarterly basis as per pre-defined parameters, which are then pushed to the branches for resolution at their end. Branches are required to attend the alerts and submit their comments online which are then reflected in the work list of ZO. Then, ZO may close it at their end as per their delegated powers or escalate it to FGMO as the case may be based upon compliance status.

LEGAL ASPECTS

What is a document?

Sec 3 of the Indian Evidence Act, 1872, defines Document as -

“Document” means any matter expressed or described upon any substance by means of letters, figures or marks, or by more than one of those means, intended to be used, or which may be used, for the purpose of recording that matter”.

Sec 3(18) of General clauses Act, 1897, defines Document as –

“document” shall include any matter written, expressed or described upon any substance by means of letters, figures or marks, or by more than one of those means which is intended to be used, or which may be used, for the purpose of recording that matter.

Under Sec 2 (14) of Indian Stamp Act, 1899, while defining Instrument mentions document. “Instrument” includes

- every **document** by which any right or liability is, or purports to be, created, transferred, limited, extended, extinguished or recorded;
- a document, electronic or otherwise, created for a transaction in a stock exchange or depository by which any right or liability is, or purports to be, created, transferred, limited, extended, extinguished or recorded;
- Any other document mentioned in Schedule I, but does not include such instruments as may be specified by the Government, by notification in the Official Gazette;

Document is an evidence of Contract. Banking Relationship is a Contract between the Bank and the Customer (Indian Contract Act, 1872).

Also, as per **Sec 45 F of the Banking Regulation Act, 1949**, Documents of banking company can be admitted in evidence in the Court of Law.

What is documentation?

The execution of documents in proper form and according to the law is known as ’Documentation’. It means the whole process of obtaining the signature of borrowers on the necessary documents after proper stamping and registration thereof wherever necessary and complying with other connected formalities therewith.

Importance of Documents

Unless the documents executed by the borrowers and guarantors are complete in all respects and are in order (and kept alive), the Bank may not be able to enforce its rights in a court of Law for recovery of the money due.

The documentation is a must as documents are useful for

- Identification of borrower
- identification of security
- recording the transaction as a written evidence
- creation of charge on security
- settlement of terms and condition
- prevention of fresh charge on security
- deciding the period of limitation
- settlement of rights and remedies of the lending banker against the borrower
- filing suits and enforcing claim

Requisites of Documentation

The document should

- contain correct name(s) of the party(ies)
- contain proper recital or narration
- be properly stamped
- be current and legally enforceable
- contain the amount of loan / facility, interest and overdue interest, if any, chargeable, give the description of security, if any
- describe how consideration has been passed on
- give terms of repayment
- give major and Important terms and conditions mutually agreed upon
- give place and date of execution
- be duly registered wherever required, with the appropriate authority

All the joint parties should join in the application for the advance/facility and in signing the documents.

Documentation process involves

1. Identifying the document format / drafting the documents
2. stamping
3. filling up the document
4. executing/signing
5. completing the necessary legal formalities including registration wherever stipulated and
6. Safeguarding the document.

Why the documents are generally standardised?

All the joint parties should join in the application for the advance/facility and in signing the documents. The different types of documents, that has to be executed for various products/services offered by bank are drafted by the bank's legal advisors in the (technical) language commonly adopted and judiciously interpreted by the courts with preamble and consideration clauses, obligations, privileges and reservations, and thus provide necessary legal safeguards to protect the bank's interest. No deviations from or amendments to such forms should, therefore, be made without the prior approval of CO: Legal Department.

In case there is not any standard form of documents for a particular type of advance, what should be done in such cases for documentation purpose?

As regards advances for which no standard form has been prescribed, the branch manager should get the document drafted by a competent legal advisor, refer to CO: legal dept and obtain approval for the draft to be executed alongwith necessary guidelines in the matter of handling such type of advances.

Type of documents

The general documents that are used in branches are Vouchers, Ledgers, Registers, Reports, Books, Forms, Files, Correspondence, ATM cards and pin mailers, Electronic Voucher Verification Report, Management Control of Records, Loan Documents, Branch Documents, Records, Returns, etc.

Again, Documents can be classified as internal and external. Records which contain sanctions / approvals accorded, instructions / guidelines issued by competent authorities, etc., are classified as internal documents. It may be noted here that in case of sanctions / approvals, the note / record containing the sanction/ approval of the competent authority alone shall be treated as internal documents and all back papers / reference material attached thereto such as reports, correspondence, etc., along with Photostat copy of the approved/ sanction note shall be filed in the non-documentary file concerned. However, directives / guidelines of RBI / Government of India based on which the note is put up shall be treated as part of the document. The document shall provide a cross reference to the relevant non-documentary file. External documents are usually record of contracts entered into with external agencies such as Insurance policies, guarantees / warrantees/AMCs etc.

The nature and type of loan documents depend upon the type of borrower availing the facilities, type of security to be offered, type of facility being availed and the type of charge to be created for the facility. The details are as follows:

Types of Borrowers

Borrower	Document
Sole proprietary concern	Letter of Proprietorship
Partnership Firm	Partnership Deed
Joint Hindu Family, Society/Club/ Association	Karta Form
Joint Stock Companies	• Resolution of the Governing Body • Certificate of Incorporation • Certificate of Commencement of Business Copy of Board's Resolution • Memorandum & Articles of Association

Type of Securities

- Hypothecation Agreement of Crop / Livestock / Goods / Vehicles / Machineries / Book Debts Pledge of goods (indigenous/imported) / Govt. Securities (NSC) / Shares etc.
- Letter of lien on Deposits
- Assignment of LIC Policies

Types of facility

Demand loans	Demand Promissory Note
Cash Credit/Overdraft	Letter of continuity
Term Loan	Term Loan Agreement

Types of Charge

- Hypothecation
- Pledge
- Lien / Set off
- Assignment
- Mortgage

In order to make the documents legally valid and enforceable in the court of law, the documents should not only be executed correctly and properly but also to be executed by persons who have legal capacity and are competent to enter into legal contract.

- Minors, Lunatics, Insolvents are not competent to contract and are not eligible for executing the documents.
- In case of individual borrowers, the documents should be executed by them in their personal capacity singly.
- In case of individuals borrowing jointly with others then the documents should be executed by them jointly and severally.
- In case of Joint Hindu Family, Karta is empowered to sign on behalf of the Joint Family, documents to be executed by Karta. All major coparceners to be made guarantors.
- In case of Joint Hindu Family Karta is not empowered, then all male adult members of the Joint Family should sign and on behalf of minor members (Males), the guardians should sign.
- Earlier disqualification has been removed by the Hindu succession (Amendment) Act 2005, there is no reason why Hindu women should be denied the position of Karta. If a male member of a HUF, by virtue of his being the first born eldest, can be a Karta so can be a female member can be a Karta. If Karta is a senior citizen, the HUF accounts will not earn additional interest for Senior citizens.
- In case of Partnership Firm, all the partners of the Firm should execute the document in their twin capacities i.e. both in their personal capacity and in their capacity as partners of the firm.
- In case of Companies, the duly authorized persons as per Company's Board Resolution or under power of attorney can execute the document.

Electronic Records

"Electronic record" means data, record or data generated, image or sound stored, received or sent in an electronic form or microfilm or computer generated microfiche. New innovative procedure to prepare / review / approve office notes on a platform that can be used as a secure place to store, organise, share and access information from any device, has been developed through Share Point Platform of Microsoft Office 365. This initiative of dispensing with placing of physical notes to various authorities upto the Top Management level and replacing the same with digital module of placing notes using Microsoft SharePoint has been implemented. An e-Signature module for inclusion of electronic form of signature in the e-Note has been introduced. E Signatures are stored as images in the electronic form. This will make the whole process a digitized one. All notes after final approval / rejection will be converted into .pdf, watermarked with note ID and status of the note. Comments Log, Audit Log and Signatures will be appended in the last page of the e-note.

Execution of documents

- ✓ All the blanks and schedules in the documents should be filled in, before their execution. Instruments executed in India are required to be stamped either before or at the time of execution.
- ✓ The borrower/guarantor should be asked to read the contents of the documents in full and understand the same.
- ✓ The documents should be signed /executed by the executant in the presence of an officer of the Bank to avoid difficulty in identification and to prevent fraud, forgery, misrepresentation, coercion etc. Branches have to keep copies of the identification documents under KYC, tendered by the borrower while opening the account, along with the loan documents duly attested by the borrower and the officer concerned.
- ✓ All the pages and schedules of the documents should be signed in full in the same style.
- ✓ Generally, the borrowers put their signatures using the right hand. If, however, a borrower signs in left hand, a small note should be annexed to the documents recording that the borrower signs in left hand and a remark may also be made in the Document Execution Register.
- ✓ Any letter of guarantee, overdraft/cash credit agreement for pledging or hypothecation of movables, memorandum of deposit of title deeds with intent to create an equitable mortgage and other undertakings should not be attested (witnessed); otherwise they will be considered as bonds and impounded as documents attracting ad-valorem stamp duty and penalty.
- ✓ Regular mortgage deeds, debenture deeds, gift deeds of immovable property, powers of attorney, etc., should however be witnessed by at least two witnesses.
- ✓ Any addition, alteration, insertion, cutting, overwriting, erasing, interlining, deletion etc. must be done in the document, only where absolutely necessary and must be authenticated by the borrower under his full signature in the same style as he has otherwise signed the documents. Normally, the chance of such cuttings, over-writings etc., creeping into the documents must be eliminated and it should be ensured that whatever is required to be filled in the documents, is first written on a draft sheet and proceeded with thereafter in the documents.
- ✓ If a document is executed on different dates, at different places, the space provided for noting the date and place in the document is not to be filled in; instead the executants should sign the document noting in their own hand the date and place of execution. (Executed at .... on .... beneath their signatures). In case of companies, even though more than one director sign, the executant is only

one i.e. the company. As far as possible, the signatures of all authorised directors should be obtained on the same date. If different directors sign the document on different dates, the last date is considered as the date of execution.

- ✓ As per the direction of RBI regarding Prudential Norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances, the exact due dates for repayment of a loan, frequency of repayment, breakup between principal and interest, examples of SMA/NPA classification dates, etc. were clearly specified in the loan agreement. The borrower should be apprised of the same at the time of loan sanction and also at the time of subsequent changes, if any, to the sanction terms / loan agreement till full repayment of the loan. In case of loan facilities with moratorium on payment of principal and/or interest, the exact date of commencement of repayment should also be specified in the loan agreements. Accordingly, Bank has modified the loan agreements and also provided the annexure as suggested by IBA for obtaining along with the loan document. (Circular No. ADV-276/2021-22 dated 03.01.2022 – Clarifications provided on prudential norms on IRACP).

What is defective documentation?

Defective documentation may also invalidate and/or affect the lenders rights. The following are some of the common instances of defective documentation:

- Inappropriate documents (i.e. documents not relevant to the type of advance and the type of securities offered etc.).
- Incomplete set of documents not properly filled in / partially filled in / incorrectly filled in/not filled in at all Documents unstamped or inadequately stamped or improperly stamped documents with stamps affixed after date of execution of documents Unauthenticated corrections / overwriting's / erasures / cancellations / insertions.
- Documents executed by persons / agents having no authority to execute such documents executed by persons incompetent to contract i.e. who have no legal capacity to contract / borrow, etc.
- Documents not executed properly by the authorised persons, as per bye-laws, articles of association / resolutions, etc.

"Executants" of a document

The party executing a document is known as an "Executants". The Executants should be competent to contract.

Power of attorney

A Power of Attorney is a document which empowers a specific person to act on behalf of the person who is executing the same, by which a person is authorized to appear and act on behalf of a person who is executing the power of attorney. A power of attorney may also be given by a person to another to appear before any Court, Tribunal or Authority or before a Co-operative Society or any Body or Association. The person who is given the powers is called a "Constituted Attorney".

Types of Power of Attorney

There are two types of Power of Attorney, namely:

1. ***General Power of Attorney***

This type of a Power of Attorney gives general powers to the person in whose favor the document is executed. The Constituted Attorney is authorized to perform all kinds of acts and to execute any document on behalf of the person who has so executed that document.

2. ***Special Power of Attorney***

Such a Power of Attorney gives the person, power/s only for specified act/s or transactions. In this case the power has to be strictly adhered to and the Constituted Attorney cannot do anything for which he is not duly empowered by the Power of Attorney.

What is the necessity of a Power of Attorney?

It is generally executed when a person wants to authorize someone to carry out any activity which he would have undertaken if he would be personally capable of doing the same. It is an authorization, which confers powers akin to that of the Principal on the person for a temporary period of time.

What are the precautions to be taken while Execution of a Power of Attorney?

When power of attorney is executed in India

The power of attorney should be executed on a non-judicial stamp paper of the requisite value as per the stamp duty prevalent in the respective state.

- Each page of the Power of Attorney and wherever the blanks are filled in should be signed by the principal/ the grantor. Notarization of power of attorney is not mandatory; however in such instances, care should be taken to verify that the power of attorney has been executed in the presence of at least two witnesses & that the names and residential addresses and signatures of the witnesses are also clearly specified / made in the power of attorney.

When power of attorney is executed outside India

- The Power of Attorney should be first typed on a plain sheet of paper.

The signature(s) of the principal / grantor should be attested by any authorized official of the Indian Embassy / Indian Consulate / Trade Commissioner of India / Notary Public in the country where the principal / grantor resides.

The Power of Attorney should be then sent to India and stamped. The Constituted Attorney should sign the Power of Attorney on the last page in the presence of a Notary Public / signature of the Constituted Attorney should be witnessed by two persons as stated above.

Pre-requisite for disbursement

No advance should be disbursed before all the necessary documents duly completed, stamped and executed by the borrowers and the guarantors concerned are obtained.

Digital Document Execution

Digital document execution is a procedure under which execution, stamping, preservation and retrieval of documents will be done using online platform. This procedure is completely paperless mode of execution of documents without the physical presence of borrowers by enabling e-signing and e-stamping of documents. It is proposed to integrate execution of documents online with the Digital Documentation Execution platform of the National e-Governance Services Limited (NeSL). This procedure is completely paperless mode of execution of documentation without the physical presence of the borrower by enabling e-signing and e-stamping of documents. Loan Origination System (LOS) will be integrated with this secure and online system. Customer will sign the documents digitally or with Aadhaar/Dongle/biometric modes and the branch will sign the documents digitally by biometric /digital signature and will be stored digitally at NeSL /CERSAI.

INDIAN STAMP ACT AND LAW OF LIMITATION

Applicability of Stamp Act

The Stamp Act 1899 extends to whole of India. State Governments can amend the Act or enact a new act and prescribe the rate of stamp duty for instruments other than those in the Union List. In respect of other documents requiring stamp duty the value of the stamp duty varies from State to State.

Different kinds of stamps

1. Revenue Stamps
2. Special adhesive stamps
3. Embossed/Engraved Stamps
4. Non-judicial Stamp Paper
5. E Stamp

Important Points to be noted:

Documents are to be duly stamped to make them valid and legally enforceable at times of need. As per Sec 2(11) of the Indian Stamp Act 1899, a document is deemed to be duly stamped if it bears an adhesive stamp or impressed stamp of not less than the proper amount and that such stamp has been affixed or used in accordance with the law for the time being in force in India.

- Sec 17: Documents must bear the current stamp and must be stamped before or at the time of execution.
- Every adhesive stamp affixed on documents is required to be cancelled as per Sec 12 of the Indian Stamp Act.

Registration of Loan Documents:

The law relating to registration of documents is contained in Registration Act 1908. Under Sec 17 of the Act the following documents require compulsory registration:

1. Instruments of gift of immovable property
2. A Mortgage deed.
3. Lease of immovable property where the period of lease is one year or more.
4. A sale deed in respect of a property.
5. An assignment of some right, title or interest in a property made through a deed.
6. Registration should be done at the Registrar of Assurances (Sub Registrar) under whose jurisdiction the property falls (Sec 28/29).
7. Sec 23 of the act states that all documents which are required to be registered should be presented at the office of Registrar or Sub Registrar within 4 months from date of execution.

Period of Limitation:

The schedule to the Limitation Act 1963 specifies the period of Limitation as the time from which period begins to run. There is a legal relation between the document and the Limitation Act. The law of limitation bars the judicial remedy once the period of limitation expires. Therefore it is of paramount importance for bankers to keep the documents alive.

Sl.No.	Nature of Document / Charge	Limitation Period
1.	**Demand Promissory Note**	3 years from the date of execution.
2.	**Bill of Exchange / Promissory note**	
2.a.	**Payable at sight**	**3 years from the date of presentation of bill.**
2.b.	Payable at a fixed time after date	3 years from the date of bill / note.
3.	**Agreements and loan Payable in installments**	3 years from the date on which the relative installments fall due.

4.	Mortgage	
4.a.	Money repayable on demand and no installment repayments are agreed to	12 years from date of mortgage deed
4.b.	Repayable in installments for recovery of defaulted installment	12 years from the date on which the relative Installments fall due
4.c.	In case of default of any installment of Principal or interest, the whole of the Mortgage amount becomes payable	12 years from the date of default
4.d.	Personal liability of mortgagor	3 years from the date of DPN / Acknowledgement of debt

When a document can be revived or its limitation period can be extended?

- ✓ Renewal of document
- ✓ Obtaining acknowledgements of debt
- ✓ Part payment before the expiry of limitation period either by himself or his duly authorised agent.

Document is thus an important primary source of evidence for the lending banker. Hence it is of prime importance to complete and comply with all the legal formalities correctly during execution of documents, its stamping, its subsequent registration (if any) etc. as per legal provisions laid down in respective Acts so that such documents shall be admitted in the Court of Law as enforceable evidences for claiming the rights and remedies of lending banker at times of need.

FREQUENTLY ASKED QUESTIONS ON SARFAESI

What is SARFAESI?

The Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act 2002 (SARFAESI Act). In order to strengthen and ensure quick recovery of bad debts the Securitization and Reconstruction of Financial Asset and Enforcement of Security Interest Act (SARFAESI Act) was enacted in 2002. The provision of the Act empowers the Bank to take possession of mortgaged securities without intervention of the Court and also to dispose it off for recovery of their bad debts. The SARFAESI Act has since been modified vide Enforcement of Security Interest and Recovery of Debts Laws and Miscellaneous Provisions(Amendment) Act,2016 notified on 16.08.2016 and by The Security Interest (Enforcement)(Amendment)Rules 2002 which was notified on 04.11.2016. The revised guidelines are also to be kept in mind while considering action under SARFAESI Act.

Which accounts are eligible for SARFAESI?

1. The account must be NPA in the books of the Bank.
2. The amount outstanding (total dues) in the account should be more than Rs.1.00 lakh and should be more than 20% of the Principal amount and interest thereon.
3. The secured asset should not be an Agricultural Land. However it can be enforced where agricultural land given for mortgage is not used for agricultural activities. Field level functionaries should ascertain the use of land at the time of security enforcement and invoke SARFAESI action accordingly.
4. The account must be within the period of limitation and the documents are valid and enforceable.
5. The secured asset must not be under Bank's lien/pledge.
6. In view of the ruling given by the Hon'ble Supreme court in Transcore Vs Union of India and another case, SARFAESI action can be initiated even in suit filed cases and vice versa. Hence there is no bar for simultaneous action.

Is the Limitation Act applicable for accounts coming under SARFAESI?

Yes. Claim should be made within the period of limitation prescribed under Limitation Act 1963. That is, when the demand notice is issued under SARFAESI Act, Limitation should be available, based on loan documents / last renewal / Acknowledgement of Debt (D-11).

What are the exemptions under SARFAESI Act?

The Act is not applicable to

a) Non NPA accounts.
b) Personal assets of the borrower/guarantors not charged to the Bank.
c) Security interest created in Agricultural land.
d) Security interest created for securing repayment of any financial asset not exceeding Rs 1.00 lakh
e) Assets in which the Amount due is less than 20% of the principal amount and interest thereon
f) Lien on any goods, money or security, creation of security in aircrafts or vessels, conditional sale, hire purchase or lease or any other contract in which no security interest has been created.
g) Rights of unpaid seller
h) Properties not liable to attachment under Section 60 (1) of civil procedure code (CPC) (Eg. Tools of artisans, personal belongings like wearing apparel, bedding etc., of judgment debtor, stipends and gratuities allowed to pensioners of Government or of Local Authority, wages of labourers and domestic servants, all monies payable under LIC Policy of the judgments debtor etc.,) and such other items as may be exempted under respective State Amendments.
i) Pledge of movables

j) If an application filed by the borrower company or by any person before the National Company Law Tribunal for initiating CIRP against the borrower and the same is admitted, there is a moratorium period from the date of admission of the application and no quasi-legal / legal action can be initiated against the borrowers/guarantors.

Sanction to initiate action under the Act - Branches are required to obtain sanction from appropriate authorities to initiate action under the Act. For initiation of SARFAESI action, it is the Zonal Manager who has to give necessary clearance / permission.

Suit filing sanction: After SARFAESI action is completed, if still balance amount is to be recovered through suit filing mode, then necessary permission from appropriate suit filing sanctioning authority to be taken. Likewise, even after initiation of SARFAESI action and before it could be concluded, if limitation is likely to get time barred, branch may take necessary permission from appropriate suit filing sanctioning authorities and do the needful to file suit within limitation period.

Supplementary Notices under SARFAESI Act:

If the secured asset is a debt (due to the borrower) and not secured by a Negotiable Instrument, notices shall be sent to (1) the borrower prohibiting him from recovering such debt and (2) prohibiting the debtor of the borrower from making payment to the borrower, and directing him to make payment to the Bank.;

If the secured asset is a share in a body Corporate, notice shall be sent to (i) the borrower directing him to transfer the share to the Bank and (ii) the Body Corporate restraining the Body Corporate from transferring such shares to any other person. Copy of such notice is also to be sent to Registrar/Share transfers Agent of such Body Corporate.

If the secured asset is any other movable property not in possession of the borrower (except those deposited in court etc), notice shall be sent to the borrower or any person in possession, to hand over the same to the Authorised officer and Authorised officer shall take custody in case of their failure to hand over. The method of taking possession and preservation etc of such movables is the same as applicable generally (enumerated hereunder).

If the secured assets are movables other than those mentioned above the Authorised Officer shall take possession of the same by taking possession of documents evidencing title to the same.

These supplementary notices may be sent simultaneously along with the Demand Notice.

Sec.13 (3A) provisions and its implications:

If there are any objection / representation received from the borrower /guarantor / mortgagor, for the demand notice, the same has to be looked into and a suitable reply be given within seven days of receipt of the same, with reasons also indicating that the objections / representation is rejected and only after sending a reply, Bank can proceed with the next step of taking possession.

This is a mandatory provision and cannot be dispensed with.

Upgradation of account:

Once demand notice is issued and SARFAESI action is set to roll, if any payment is received as a consequence of which the account is upgraded in the books of the Bank as per applicable guidelines, Bank cannot fall back upon the earlier issued demand notice in the event of the account becoming an NPA again at a subsequent point of time. It has to issue fresh demand notice to take forward the recovery mechanism through SARFAESI.

Section 13 (4) measures:

If the borrower / guarantor / mortgagor, fail to discharge the liability within 60 days' time as stipulated in the notice, under Section 13 (4) of the Act, Bank can take recourse to one or more of the following measures to recover the secured debt:

- Take possession of the secured assets including the right to transfer byway of lease, assignment or sale for realizing the secured assets.
- Take over the management of the business of the borrower (substantial part of business of the borrower should be held as security for the debt),including the right to transfer by way of lease, assignment or sale for realizing the secured asset.
- Appoint any person (as Manager) to manage the secured asset (possession of which was taken over).
- Require any person in writing who acquired secured asset and from whom money is due or may become due to the borrower / guarantor to pay the Bank so much of the money as is sufficient to pay the secured debt.

Documents required under SARFAESI:

Form CHG-1 or e-Form CHG-9 is required to be filed for application of

a. Registration of creation

b. Modification of charge (other than those related to debentures) including particulars of modification of charge by Asset Reconstruction Company in terms of Securitization and Reconstruction of Financial Assets and Enforcement of Securities Interest Act, 2002 [SARFAESI]

The documents in this context are as follows:

i. Particulars of charge

ii. Certificate of registration

iii. An Instrument created for the charge

iv. Copy of the instrument creating or modifying the charge

v. Hypothecation Deed

vi. Sanction Letter

In case of any e-Form to be digitally signed, either of the following is required-

a. DSC of the charge holder
b. Director Identification Number [DIN]of the Director
c. Permanent Account Number [PAN] of the manager, CEO, CFO
d. Membership Number of the Company Secretary

Whether sanction to initiate SARFAESI action is to be obtained?

Branches are required to obtain sanction for initiation of SARFAESI action and it is the Zonal Manager who has to give necessary clearance / permission.

Who can be nominated as Authorized Officer?

As per NPA Management Policy, 2023-24, as per our Board approved Policy, all officers in the rank of Chief Manager and above can be appointed as Authorised Officers for initiating action under SARFAESI act. The AGMs/CMs posted in the branches (including SAM small & Large Branches) will automatically act as Authorised Officers for the NPA accounts in their respective branches and for other accounts in branches not headed by AGMs/CMs, Chief Manager (Recovery and Legal) at Zonal Office will act as Authorised Officer. However, based on the number of SARFAESI eligible accounts and operational convenience, Zonal Manager (for branches under their control) and FGMO (for SAM Branches under their control) may appoint Chief Manager of other department/branch to act as Authorised Officer.

What is the role of Authorised Officer?

Rights by the Bank as secured creditor under SARFAESI Act has to be done through an "Authorized Officer" from the stage of issuance of Demand Notice and up to the stage of issuance of sale certificate in favour of the successful bidder. All steps under SARFAESI Act are done by the bank through the Authorised Officer (AO) only.

Who can issue Demand Notice under SARFAESI Act?

The Authorised officers of the Bank should issue the Demand Notice.

What is the period of Demand Notice and from when the period starts?

The period stipulated in Demand Notice is 60 days and for calculation of time the period starts from the date of Acknowledgement of Notice by all the Borrowers /Guarantor / Mortgagors.

If the demand notice is acknowledged on different dates, from which date 60 days period will start?

The 60 days period starts from the last date of receipt Borrowers / Guarantor / Mortgagors.

What is to be done if the notice is not received by the borrowers or guarantor?

If the notice is not received or not delivered for any reasons, paper publication is to be done in 2 local newspapers including one in vernacular language were the parties resides.

What is the next step after the expiry of 60 days of notice?

After the expiry of 60 days from the last date of acknowledgement of demand notice, the AO has to take possession of the property mortgaged to the Bank.

Within how many days of taking possession, notice is to be published?

The Possession Notice also to be published in two newspapers, one of which should be in vernacular language (English notice should not be published in vernacular language newspaper) **within 7 days from the date of issuance of notice**.

What is to be done if the AO anticipates resistance/law & order problem etc.?

AO is at liberty to approach Chief Metropolitan Magistrate (CMM) or the Chief Judicial Magistrate (CJM) with an application seeking assistance in taking possession / control under SARFAESI act.

What is the purpose of CAVEAT?

CAVEAT means: - Give the other side notice and to follow principles of natural justice. The purpose of caveat is to ensure that no ex-parte orders are passed by DRT in any Securitisation appeal without hearing the bank /secured creditor.

When do we have to file CAVEAT?

Immediately after taking possession, i.e on the date of publication of possession notice in news paper. Bank should file caveat before DRT and High Courts (wherever it is accepted) to avoid ex-parte orders.

What is the validity of CAVEAT filed at DRT? And what is to be done after the expiry of Caveat?

The CAVEAT will be in force for 90 days from the date of filing CAVEAT. Care should be taken to ensure that another caveat is filed after the validity period of 90 days to keep it alive.

What is reserve price and who will fix the Reserve Price?

R.P is the sale price for which the security will be sold in public auction. Security Enforcement Committee (SEC) shall fix the Reserve Price based on the proposal submitted by the AO and BM after analysis the value of property (DSV, MV, RSV) and mode of sale recommended within two days from the date of receipt of valuation report of the property. However, the A.O should not be the member of SEC for the accounts allotted to him.

Who are the members of SEC?

Security Enforcement Committee (SEC) at Zonal Office comprising the Zonal Manger and Senior Officials working in Zone Office preferably from Recovery, Legal, Expenditure, Premises, Inspection, Administration in the Zonal Offices may be constituted with a minimum of three members.

Reserve Price will be fixed by Security Enforcement Committee (SEC) at Field General Manager Office for SAM Small Branches only on the recommendations of SAM Small Branch / AO. The constitution of FGM-SEC is as under: DGM (FGMO) – Chairman. In the absence of DGM, FGM will act as Chairman. AGM or CM (Recovery) at FGMO -Member CM (Premises) or CM (Inspection) at FGMO - Member Law Officer (or) SM or Manager (Rec) is the Convener of the SEC. Quorum: Three with Compulsory presence of Chairman Reserve Price will be fixed by Security Enforcement Committee (SEC) at SAM Large Branches for SAM Large Branches only on the recommendations of AO.

The constitution of SAM Large Branch level SEC is as under: Branch Head– Chairman AGM / CM –Members Law Officer (or) SM or Manager (Rec) is the Convener of the SEC. Quorum: Three with Compulsory presence of Chairman. Authorised Officer for the said account shall not be a member to the meetings.

Can AO be the member of SEC?

No

How does SEC fix the Reserve Price?

The SEC may consider the Reserve /upset price 10 to 25% less than the valuation, taking into account the realizable sale value of the assets at the given point of time, but shall not be less than the distress sale value given by the Approved Valuer or 75% of the market value whichever is higher.

Fixation of initial reserve price:

- For the first sale Realizable Value will be the Reserve Price.
- Where two valuations have been obtained Reserve Price should be the highest of Realizable value mentioned in the two reports.

In case of resale for want of bidders, the reduction in fixation of reserve price will be as under on recommendation of the concerned Authorized officer/ZO/FGMO after recording the specific reasons for failure of e-auction. The saleability of the property should be guiding factor for reduction in fixation of reserve price. However, SEC can fix reserve price upto 80% of distress sale value or 60% of the market value whichever is higher. Anything below the threshold provided herein should be referred to Recovery Department, Corporate Office for fixation of the Reserve Price with acceptable reasons for recommending a lesser price. COLCC(GM) shall be the competent authority to fix reserve price in such case. While fixing Reserve Price, it should be ensured that the valuation report should be within 1 year.

How does SEC fix EMD?

SEC shall fix the EMD of movable assets and immovable assets offered as securities in such a manner that it shall be 10% of the reserve price subject to a maximum of Rs.50 lacs and a minimum of Rs.10,000/-.

What is to be done if the sale is not successful?

In case the sale is not successful for want of bidders and/or on default of the purchaser to deposit the purchase price in time, the property could be brought for resale after observing guidelines for fixing the upset price, EMD, other procedural aspects, etc. and after obtaining permission from the appropriate authority.

What is the Reserve Price for the property under RESALE?

If it is a Resale for want of bidders, Reserve price to be suggested by the SEC at 80% of distress sale value or 60% of the market value whichever is higher with the permission of SEC.

In the accounts brought for sale where auction failed earlier, the Reserve Price to be reduced by 10% on the Reserve Price fixed for the previous auction or Reserve Price fixed as per latest valuation of Security obtained whichever is less provided the previous sale happened more than a year earlier.

Within how many days from the date of physical possession, publication of sale notice is to be made?

Sale notice should be published in two local newspapers including one vernacular is to be done within 7 days after issuing sale notice to the parties (B/G/M)

How many days of gap should be maintained for the publication of sale notice to auction date?

There should be clear 30 days from the date of publication of sale notice to the date of sale

Who are the service providers for e auction?

The following e-auction service providers are also empaneled and their services may be used for conducting e-auction of vehicle and other assets:

E-auction Service Provider Revised Fees w.e.f. 08.02.2018 ** 1. C-1 India Pvt. Ltd Rs.550/- + applicable GST 2. Matexnet Pvt. Limited Rs.550/- + applicable GST 3. e-Procurement Technologies Pvt. Ltd. Rs.550/- + applicable GST NPA Management Framework-Part(B) Legal 136 For the sake of clarity, the uniform fee of Rs. 550/- +GST shall be paid to the above eauction service providers irrespective of the fact that whether the auction was successful / unsuccessful / cancelled / stayed event.

What will be normal terms of payment for Successful bidder and within how many days the successful bidder has to comply with the norms?

Once the bidder is declared as successful bidder he/she/they has /have to pay 15 % of sale price(not reserve price) immediately and balance of 75 % to be payable within 15 days.

What is other procedure after full payment has been received from successful bidders?

Once sale price is paid, sale certificate has to be issued and then AO will get it registered in the Sub- Registrar Office where the property is situated (within 4 months from the date of sale certificate issued). Purchaser has to bear Stamp duty (Registration charges and expenses).

In case of surplus / short fall for loan outstanding vs. total sale proceeds, what are the steps to be followed by bank?

Once entire sale price is paid the same has to be appropriated towards the loan dues and balance if any should be returned to the borrower/guarantor concerned. If sale proceeds are not sufficient to cover loan dues, the bank has to file a suit /recovery application at DRT for recovery of dues.

CJM/CMM has to pass the order for taking possession within how many days?

CJM/CMM has to pass order for taking possession of the secured assets within 30 days. He is allowed to extend the period by another 30 days but he will have to record reasons for the same.

Is it necessary for the lender to classify the loan a/c as NPA before SARFAESI initiation?

Under section 13(2) buyer need not classify NPA in case he has raised funds through debt securities. Upon default, he can enforce under this section.

Up-to what date the earlier dues can be paid?

Under Section 13(8) earlier dues could be paid till sale or transfer. Now it can be paid till the date of auction/publication of notice. The time period for the borrower to make the payment has been reduced considerably.

Changes in Delegation of Administrative / Discretionary powers for according sanction to institute Suits / initiate recovery proceedings and sanction to file or not to file appeal / review / revision (Circ No.17521 dated 31.08.2020)

I. **According sanction to institute Suits/initiate Recovery Proceedings (combined entity):**

Authority	**Monetary Limit / Claim amount (revised)**
ZLCC (AGM) - where AGM's are Zonal Managers and ZLSCC (AGM) where AGMs are Deputy Zonal Managers	Where the claim does not exceed Rs.50.00 Crores in each case
ZLCC-where the Zones are headed by DGMs.	Where the claim does not exceed Rs. 100.00 Crores in each case
FGMCAC	Where the claim does not exceed Rs.250.00 Crores in each case in respect of SAM Branches and LCBs / MCBs' Accounts, permission for Suit filing where the claim amount is up to Rs.250.00 Crores is empowered.
COLCC (GM)	**Where the claim does not exceed Rs.500.00 Crores in each case*** **
COLCC (ED)	Unlimited Powers.

The proposals seeking **for permission to file suit/to file** appeal/review petition or not to file appeal/review petition from Corporate Office level shall be routed through the respective FGMOs and FGMOs shall forward their views/comments/recommendations to Corporate Office.

Conditions:

a) Power to sanction filing of suit/recovery application shall not be exercised by an authority, if loan was sanctioned by the same individual authority.

b) Before according sanction to file suit/initiate recovery proceedings, the sanctioning authority has to get satisfied that all possible steps for recovery; otherwise than by filing suit/initiating recovery proceedings have been taken. If the loan sanctioning authority is of a higher grade than the authority according sanction to file suit etc., the loan sanctioning authority shall be appraised of the sanction accorded for filing suit etc.

II. Sanction to file or not to file appeal / review/ revision against Suits / Recovery applications / other proceedings filed by the Bank.

The authorities empowered to sanction filing of suits, recovery applications and other proceedings depending on the monetary limit enumerated in clause I are empowered to take a decision whether to file appeal, review or revision in all legal proceedings initiated by the Bank. Even in respect of cases of SAMV Branches, powers are vested with the authority enumerated in clause I above.

Common Mistakes in the Process of Recovery under SARFAESI Act:

- Delay in serving Demand Notice after the account has been slipped to NPA, even after AO is nominated.
- Not ensuring the correct address of the borrower/mortgagor/guarantor before serving Demand Notice.
- Demand notice is not complete in all respects.
- Mistakes in notice like Balance Outstanding, MOI, MOX, Date of NPA, Date of D- 11, Schedule of Property etc.
- Date of serving, acknowledgement, due date for symbolic possession not diarized and followed.
- Evidence not created for having taken symbolic possession.
- Market Value of the property not properly ascertained before recommending to SEC
- Delay in paper publication after symbolic possession.
- No proper marketing / advertising about the property under sale for finding bidders.
- Not sending notice to SRO of the concerned locality.
- Not contacting borrowers after the notice is served.
- Not keeping the documents live.
- Taking possession only on the basis of acknowledgement received from one of the parties i.e. Borrower or Mortgagor or Guarantor.
- Delay in taking actual possession.
- Not approaching CJM/CNIM of eviction in case the house is let out.

- Not obtaining caveat without anticipating that the borrower may approach court for stay.

Introduction of PARTH (Portal for Asset Resolution through Hot Chase) (Circ No.17469 dated 30.07.2020)

A new Portal for Asset Resolution Through Hot Chase (PARTH) is being made functional (from 30.07.2020) to record all firsthand information of all SARFAESI, DRT, Civil Suit, NCLT accounts and to generate various reports on various parameters.

Navigation:-
https://ibmis.ib.in/PARTH_APP/

FGMO/Zones are advised to nominate Authorised Officer for all SARFAESI eligible accounts and Nodal Officer for DRT accounts. It is further advised to verify the data in the portal and start the updation process immediately.

Branch users can access data for their particular branch only. Similarly, ZOs and FGMs can access data for their particular ZO/FGM. Corporate Office user can access the entire data.

Roles & Responsibilities of Law Officers (Circular No. 17614 dated 09.10.2020)

A. LAW OFFICERS: LEGAL ARM OF THE BANK

Law Officers (Officers / Managers / Senior Managers / Chief Managers) act as the legal representatives of the Bank in all facets of legal matters concerning to Ban k providing legal support to resolve the legal issue and are an important part in the operations of the Bank. It is observed that the Bank is getting limited success in recovering huge bad loans of the Bank through legal measures due to tardy progress of the cases in various courts/tribunals.

In this context, it is felt necessary to define the Roles and Responsibilities of the Law Officers of the Bank for their effective and efficacious functioning and delivering the results.

B.ROLES & RESPONSIBILITIES OF LAW OFFICERS AT ZONAL OFFICE:

I. Approval of Bank Guarantees, where the BG is not as per Bank's Standard format.
II. Vetting of Documents / Formats / Legal Notice / FIR, wherever required / referred, where there is no Bank's format or not as per Bank's format.
III. To vet reply to queries on legal matters. To give legal opinion regarding any legal procedural lapse or operational flaw in the Bank involving the Legal Risks.
IV. Vetting of drafts of pleadings, Plaint, Written Submission etc and issuance of comprehensive instructions/briefs to the dealing Branch / counsel.
V. Preparation and submission of periodical data of Suit Filed Cases (Civil Cases and DRT) as mandated by Head Office in the prescribed format.

VI. To handle/monitor all court cases from filing of the case to the final order of the court and monitoring the court cases/legal matters on day to day basis with the concerned advocates. Ensuring that appropriate Execution proceedings are filed in Decreed / RC issued cases.

VII. Providing guidance to Authorised Officers/Recovery Department and the branch concerned regarding legal intricacies involved in the SARFAESI cases. Assisting the Recovery Department/ Authorised Officer in invoking, monitoring of SARFAESI action, to meet the time line strictly in completing the SARFAESI action till recovery of Bank s and implementation dues is warranted.

VIII. Ensuring that any appeal / cases filed by / against the Bank are followed meticulously and there is no delay / adjournment from bank side.

IX. Preparation and submission of periodical SARFAESI data in assistance with Recovery Department as mandated by Head Office/Corporate Office in the prescribed format.

X. Follow up with advocate/Recovery Agent for timely filing of CNIM/DM application/petitions and obtaining the necessary orders for Physical possession on the Secured assets under SARFAESI Act.

XI. Providing relevant case related data/details to Recovery Department at Zonal Office for timely updation in PARTH.

XII. To prepare periodical statistical data on legal matters and submission of returns/statements to concerned authorities including statement on Contingent Liabilities. After every quarter, consolidated statement with respect to the Contingent Liabilities of the Bank is to be sent to Head Office, Legal Department well within time as prescribed by the Department from time to time.

XIII. Settlement of Claim of deceased Depositor as per the extant policy and time line for recognition and communication to the Branch within 15 days as stipulated by RBI.

XIV. Preparation and submission of periodical data of Death Claim Cases as mandated by Head Office in the prescribed format for submission to the Board for each quarter.

XV. Monitoring of Death Claim Settlement Tracker and Guiding the Branches to expedite settlement of Death claim and ensuring that no claims of Branches / Zonal Powers are pending.

XVI. Scrutiny of and placing the proposal with respect to empanelment of advocates. Also reviews of performance of advocates to expedite the cases filed by bank and submitting the report to HO. Maintenance of data relating to Panel Advocates. Periodical updating the data relating to Advocates in the respective portal. Submission of periodical data of Advocates as mandated by Head Office in the prescribed format. Conducting periodical review of Panel Advocates and the reports are to be submitted to FGNIO, HO/Legal Department.

XVII. To assist Branch/ZO in NCLT referred cases.

XVIII. Any other legal/ industrial relation matter assigned by the Bank including advising on legal issues to other departments upon reference.

XIX. Monitoring of suits filed against the Bank in different forums i.e High Court, Civil Courts, Consumer Forums, DRT/DRAT etc. Law Officers are required to provide legal time to try as to how effectively to defend Bank's case / settle the dispute.

Written guidance to the field functionaries from Statements / Replies / Rejoinders & other pleadings have to be filed in time. Concerned branches should keep the Law Officers duly informed of the developments in the cases at the right earnest.

XX. To keep liaison with the State Legal Services Authority/DLSA for organizing Lok Adalats / National Lok Adalat and to assist Recovery Department in this regard.

XXI. Preparation and submission of periodical data of Lok Adalat/National Lok Adalat as mandated by Head Office in the prescribed format in co-ordination with Recovery Department at ZO.

C.ROLES & RESPONSIBILITIES OF LAW OFFICERS AT FGMO:

In addition to the above, the following are also to be ensured by Law Officer at FGMO:

I. In Case there is no legal Officer at Zone, the Guarantee / vetting of documents shall be undertaken by Law Officer at FGMO. In the absence of Law Officer at ZO and FGMO, the matter may be referred to Head Office, Legal Department for necessary guidance /approval.

II. Wherever necessary document approval / vetting for ZO / Large Corporate Branch and SAMV Branches are warranted in the geographical jurisdiction of FGMO, the same shall be vetted by the Law Officer at FGMO. Where only substantial legal issue is involved and further guidance is required, those matters only can be referred to HO Legal Department along with comments of law officer concerned.

III. Ensuring their respective Zone is submitting all Legal / Recovery related legal statements /Data in time to HO and adhering to HO time schedule.

IV. Law Officers posted at FGMOs are responsible for effective monitoring of the cases / litigation matters under the span of their control till the logical conclusion and recovery of NPA accounts through legal measures. In the Zonal Office where no law officer is posted, the law officer (of FGMO) shall ensure necessary legal steps in all the matters in coordination with the officer assigned with legal work in the respective zone.

D. ROLES & RESPONSIBILITIES OF LAW OFFICERS AT SAMV Branches:

I. Law Officers will be Nodal Officers for the concerned DRTs. As Nodal Officers, they are required to perform their duties adopting a proactive approach and there should not be any occasion of laxity on their part in monitoring DRT cases and maintaining liaison with the DRT officials.

II. Liaising with DRTs and reporting the feedback to the concerned Zone/Branch with a view to ensure prompt and effective handling of cases by these Zones/Branches.

III. To monitor / verify / from DRT Staff / Registry / proceedings that in Securitization application (SA) / Execution matters / matters before Recovery Officer, the documents viz. copy of demand notice, postal receipt, charge receipt, proof of affixation, evidence of publication, securities details etc., are being filed in time and unnecessary adjournments are not being taken for non -supply of such documents and report all such matter, where compliance is delayed, to concerned Zonal office / Branch for immediate compliance.

IV. To handle / monitor all DRT / NCLT cases from filing of the case to the final order of the court and monitoring the court cases / legal matters on day to day basis with the concerned advocates.

V. Ensuring that any appeal / cases pertaining to SAM branch filed by / against the Bank before any forum of law are followed meticulously and there is no delay / adjournment from bank side.

VI. Providing relevant case related data / details to the branch for timely updation in PARTH.

VII. Providing guidance to Authorised Officers/SARI branch regarding legal intricacies involved in the SARFAESI / NCLT / DRT cases. Recovery of loans through enforcement of various actions under SARFAESI Act / IBC. Assisting the Branch/ Authorised Officer in invoking, monitoring and implementation of SARFAESI action / IBC action, to meet the time line strictly as provided under respective law/code ADV 189 13/11/2020.

Legal Scrutiny Report Inclusion of Additional Clause RERD Act, 2016:

As per Circ No. ADV-189/2020-21 dated 13.11.2020, it has been decided to incorporate, stipulations of Real Estate Regulation & Development Act (RERD) 2016, in the Legal Scrutiny Report (LSR) format to address the gaps if any, though it has been covered therein under general terms and conditions:

21. Whether RERD Act, 2016 (Real Estate Regulation & Development) is Applicable?

a. **If so, Whether Registration was done by the Developer / Promoter as per RERD Act, 2016?**
b. **Whether dedicated / Escrow account was opened by Developer / Promoter as per RERD Act, 2016?**
c. **Whether all the applicable provisions were complied with?**

The above clauses have been added as a new point No. 21 in the LSR. Copy of the Legal Scrutiny Report (LSR) (Form F -178) is available with the above mentioned Circular.

In accordance to the advice of the Top Management and in order to prevent fraud at the time of creation of Equitable Mortgage, the Legal Scrutiny Report (LSR) has been revised. (Circ No. ADV-103/2021-22 dated 01.09.2021). Branches are advised to note the modification/revision and henceforth submit the Legal Scrutiny Report (LSR) (F-178) obtained from our Panel Advocate in the revised format only.

Introduction of new menu in CBS - Waiver of Legal Action (WLA) (Circ No. ADV-181/2020-21 dated 03.11.2020):

It is mandatory on branches to renew the cover documents within the prescribed time or else the documents will get time barred.

To keep control over the limitation period of loan documents, a monthly report is being pushed to all branches as “DPN_remaning_dpn25.txt - DPN remaining without renewal between 30 to 36 months from the Dt. of Execution for the month ended ___ - AUH - 1A”

As of now, those accounts in which Waiver of Legal Action has been permitted is also reflected in the above report, which does not reflect the actual position of Time Barred DPNs (TBDPNs) in a branch. To overcome this, a new menu has been introduced in CBS, the navigation of which is as follows —

Common Processing - > Overdue/NPA - > Overdue / NPA Waiver of Legal Action

“Every fortnight a report at Branch, ZO and CO level will be generated by CDC under heading — Protested bill — NSF- WLA.”

All the Branches are requested to update the WLA details correctly and verify both the reports for its correctness. Since Waiver of Legal Action report is being generated separately, please ensure that the report on ‘DPNs remaining not renewed’ shows accurate details.

Standard Operating Procedure for Prevention of Time Barred Accounts Marking of Waiver of legal action and Suit Filed Accounts in CBS (Circ No.21424 dated 29.12.2022):

Many loan accounts where suit for recovery has already been filed are also appearing in Time barred list of accounts as suit details are not entered in CBS.

Field level functionaries are to note that generation of error free report on Time Barred/ To be Time barred list of MIS Department also depends on following actions by field functionaries: -

a) Entry of waiver of legal action details in CBS and
b) Filing of suit for recovery of dues and entering suit details in CBS.

Time barred/ To be Time barred report is available under following navigation: IB Helpdesk → MIS Corner → MIS Report- Report ID: 534 - List of Time barred & To be Time barred in next 180 Days accounts.

Field level functionaries are directed to enter details of waiver of legal action and suit information in CBS as per annexed guidelines for all loan accounts where such waiver has been sanctioned by competent authority or suit has already been filed. Further, branches are required to enter the recovery suit details in CBS as and when the same is filed before Civil Court/ DRT.

It is pertinent to mention here that the branches should ensure that as and when any account is reviewed/ renewed in CBS, aspects of availability of D11/ DPN must be ensured in CBS beforehand and the same shall be updated on receipt of fresh physical D-11/DPN.

Branches need not change the product code of loan accounts to protested bill/ recalled debt etc., instead the procedure contemplated in the SOP shall be adopted.

Updation of DPN or D-11 Revival Date / Marking of Waiver of Legal Action / Suit Filed & Lok Adalat Award obtained Accounts in CBS (Circ No.22225 dated 26.12.2023):

The updation of Time Barred DPNs and Waiver of Legal Action (WLA) is to be done through the respective menus in CBS under 'Common Processing'. Also, a separate Report ID : 534 is available, wherein the branches can download the list of Time Barred DPNs on any particular day.

On verification of the above report, we observe that cases where "Suit for Recovery has been filed / Waiver of Legal Action has been permitted / Lok Adalat Settlement has been done" are also appearing, since these details are not entered in CBS.

Hence, we once again reiterate the branches to enter details of WLA, Suit filed information / Lok Adalat Award obtained cases in respective menus in CBS. The menus for updation is once again given as annexure to this Circular for immediate reference of the field functionaries.

Moreover, Suit Filing before Civil Court / DRT shall be adopted simultaneously along with SARFAESI action, as it brings the desired effect in expediting recovery. Please note that the initiation of Suit / OA filing will not only save the law of limitation but also help in recovery by proceeding against other personal assets of the borrower, when the mortgaged property is not sufficient to recover the full dues.

Also, Branches should update the details in CBS (Document Revival menu) as and when the fresh D-11 / DPN is obtained and make it a habit to examine the availability of limitation period, while updating the review / renewal date in CBS apart from periodically verifying the Report ID 534.

Importance of Central Registry

- ✓ Sec: 20 of SARFAESI Act provides for setting up of a Central Registry for the purpose of registration of transactions of securitization, wherein all kinds of security interest created, be it by way of mortgage, hypothecation, assignment or otherwise are to be registered irrespective of the type of borrowers.

- ✓ "The objective of setting up a Central Registry is to prevent frauds in loan cases involving multiple lending from different banks on the same immovable property". RBI.
- ✓ The Central Registry of Securitization, Asset Reconstruction and Security Interest of India (CERSAI cersai.org.in), a Government Company, licensed under Sec.25 of the Companies Act, 1956 has been incorporated for the purpose of operating and maintaining the Central Registry under the SARFAESI Act 2002.
- ✓ With existence of a Central Registry, it would be virtually impossible for a borrower to raise loans twice against the same property or raise loans using forged documents.
- ✓ Initially transactions relating to Securitization and Reconstruction of financial
- ✓ Assets and those relating to Mortgage of deposit of title deeds are to be registered with the Central Registry. The records maintained by the Central Registry will be available for search by any lender or any other person desirous of dealing with property.
- ✓ Registration of charges to be done irrespective of whether the branch is a notified one or not.
- ✓ The particulars of every transaction should be filed with the Central Registrar within a period of 30 days from the date of such transaction.
- ✓ In case there is a delay in filing the transaction an application in specific form stating the reasons for the delay should be filed within 30 days of the expiry date of the 30 days original filing date with payment of additional fees.
- ✓ Branches have to furnish the EDI Creation or Extension of EM details to the Zonal Offices who in turn will submit the details online to the Central Registry.
- ✓ Branches to ensure that the details furnished to the Zonal Offices are uploaded to the Central Registry and they get the Asset ID Number generated by the system on uploading the data by the ZO to the Central Registry to ensure that the data is uploaded.
- ✓ EM of agricultural lands need not be filed with the Central Registry. Cersai Registry is also applicable to Hypothecated assets

Other Important points under CERSAI

1. The provisions of this chapter are extended to all creditors except secured creditors for creation, modification or satisfaction of any security interest.
2. All creditors including secured creditors may file particulars of transactions with central registry.
3. Creditors other than secured creditors not eligible to exercise right of enforcement of securities under this Act.
4. Government and its authorities which have claims of recovery of tax or order of attachment, it has to be registered with Central Registry.
5. Any person having order of attachment against the borrower shall file such order with Central registry.
6. Such registration will be deemed to be public notice from the date of filing with the Central Registry.

7. Secured creditor and creditors holding order of attachment shall have priority over all subsequent security interest created upon such property and any transfer by way of sale, lease or assignment or license of such property or attachment order subsequent to such registration.
8. Exception nothing mentioned above applies to transactions carried on in ordinary course of business.
9. No secured creditor shall be allowed to exercise right of enforcement of securities under chapter III unless the security interest created has been registered with the Central Registry.
10. Secured creditor to have priority over other debts, revenues, taxes, cesses and other rated payable to government and local authority.
11. In cases where the proceedings are under IB Code, the priority will be according to the code.

In compliance of RBI observations on implementation of automated collateral management system, following details required to be entered in CBS system henceforth.

1. Details of CERSAI ID,
2. Security ID,
3. CERSAI Registration date.
3. Geo tagging reference No.
4. Geo tagging date.
5. Sale deed No.
6. Sale deed date.
7. Sale deed amount.
8. Name of the Lawyer, Legal opinion date
9. EM Value
10. Date of EM
11. Name of the valuer, Area of EM Property with units.
12. MOD Value, NIOD date.
13. Extension of EM details, Supplementary MOD details.

Penalties under SARFAESI / CERSAI

1. Failure to comply with RBI directions, Adjudicating authority to serve notice and give reasonable opportunity to other party to represent. Any penalty imposed has to be paid within 30 days and the Adjudicating authority has the power to cancel the registration of ARC.
2. Appeal against the penalty can be made within 30 days Appellate Authority.
3. RBI to appoint Appellate Authority.
4. Recovery of Penalties Penalty is a recoverable sum and if it is not paid in 30 days, the following actions can be taken by RBI
   a. Debit the current account.
   b. Liquidate the securities held to the person in default in the books of RBI.
   c. Notice to debtor of the person in default of payment of penalty and demand payment.
   d. Such notice will be binding on the person upon whom it is issued.

e. Any claim arising after the date of issuance of notice will be void.
f. Where person upon whom notice is served issued a statement on oath that the amount or part of the amount is actually not due, RBI cannot claim such amount.
g. In case such statement is found to be false, he will be personally liable to pay to RBI such amount as mentioned in notice or the amount actually owed to the other person, whichever is less.
h. RBI can enforce the recoverable sum through Principal Civil court having jurisdiction in the area where the registered office or the head office or the principal place of business of the person in default or the usual place of residence of such person is situated as if the notice issued by the Reserve Ban k were a decree of court.

Decentralization of CERSAI Registration (Circ No. 21688 dated 15.04.2023):

De-centralization of CERSAI registration from Zones to Branches headed by Scale III and above to ensure timely registration of assets.

All Zonal Offices are advised to ensure that -
1. All Scale III and above Branch Managers are holding valid Digital Signatures and CERSAI IDs.
2. Database of CERSAI IDs and Digital Signature Certificate(DSC) at Branches, Currency Chest, MCB, RAPC and MAPC with validity dates to be maintained at Zonal Offices
3. Officers to be informed well in advance regarding expiry of Digital signature.
4. Applications of issuance of Digital Signatures should be duly filled and signed, procedure to be followed as per SOP about Digital Signature.
5. Complete Applications to be submitted to Corporate Office without any delay for final approval.

All Zonal Offices/Branches to note that Digital Signature and CERSAI ID will be deactivated in case of retirement/resignation etc. and should not be used thereafter. Application form for CERSAI User ID and Digital Signature Certificate (DSC), SOP are available on BOD Dashboard.

Integration of filing of Security Interest in CERSAI through CBS (Circ No. 22104 dated 27.10.2023):

CERSAI has initiated the process of filing security interest registration through Application Programming Interface (API) mode which will happen on real time basis.

The advantages of filing security interest through API mode are enumerated below:
a) Ensures Real Time Integration between CBS and CERSAI.
b) Does not require any manual intervention.
c) Enhances quality of data and provides more accurate search results.
d) Results in speedy registration of security interest with CERSAI.

The functionality has been implemented in CBS and will be available for all branches in Old CBS server from 26.10.2023.

Currently, the functionality of creating charge with CERSAI for immovable assets for individual borrowers on a real time mode is made available to all branches in old CBS server and the other functions such as creation for movables, modification, amendment and satisfaction of charges will be implemented in a phased manner. Shortly the modules will be made available in New Bank Channel (NBC) also for the ease of branches.

On registering the charges, Asset ID and Security Interest ID are created instantaneously and branches ought to make note of the details and enter the same in CBS menu.

Auto fetching of Asset ID and Security Interest ID and making it available in the relevant fields in CBS is under development and once developed, branches can do away with manual feeding which will save time and repetitive inputs.

Branches are advised to be guided by the screen shots and proceed creating the charges for immovable on Real Time basis with CERSAI. If any erroneous details fed or if validation fails, then branches to take up with Zonal Offices and proceed for registering the security interest with CERSAI as per the procedure prevailing now.

Procedure for filing creation of charge for immovable for individuals along with screen shots are detailed in the SOP which is furnished as annexure. As the charges are created on real time basis, this will avoid any time delay and also ensure reporting quality data to CERSAI.

Deduction of CERSAI Charges through Screen 12050 (Circ No. 22104 dated 27.10.2023):

CERSAI charges are to be debited with 18% GST based on the loan amount from newly opened CC/OD & TL/DL accounts and on enhancement of CC/OD limit. A new facility was introduced on 24.03.2023 for deduction of CERSAI charges automatically to BGL 97247 – CERSAI Recy Charges at the time of limit approval in case of CC/OD and loan approval in case of TL/DL in screen no 2420 and 12420 in eligible product codes.

Branches and Zonal Offices are advised to note that deduction of CERSAI charges for the Loan accounts already opened in the system is to be done only through the option 47 in screen no 12050. Based on the option selected, BGL where charge needs to be credited will be auto populated in the screen with proper narration.

Please note that Credit to the BGL “97247 – CERSAI Recovery Charges” through screen no.24230, 21031, 22231 and Transfer Batch are now restricted. Branches are advised to use only screen no 12050 for crediting CERSAI charges in BGL 97247.

SETTLEMENT OF CLAIM:

Settlement of claims in respect of deceased depositor's account - CHECKLIST:

Branch has to check up whether any nomination is registered and if so the nominee to be informed about nomination.

Blank claim forms to be provided to legal heirs who comes to Branch seeking advice

Time is to be spent to educate Legal heirs to fill the form correctly without leaving any blanks No claim shall be delayed or denied for want of Legal Heir certificate

No succession certificate /Court order should be insisted in a routine manner

All columns should be filled in with details (or) at least NIL and to be witnessed by 2 persons, preferably account holders of the branch, who can also attest the photo identity

Should be signed by all claimants in English or in language in which claim form is printed If signed in other language should be notarized by Notary Public / Magistrate Signature Tamilnadu English or Tamil; Other languages Magistrate / Notary Public to sign If signed from abroad Consulate / Notary attorney

Vouching letters from two independent persons - 2 different, responsible persons like Doctor / Teacher / Magistrate / Gazette Officer etc. who know the family for several years and they should give their name and address on the top of the vouching letter (respectable persons preferably account holders of the Bank) and they should mention their account numbers Names of all claimants mentioning relationship, occupation and present address to be mentioned

It is to be mentioned whether the claim is by Inheritance / Will / Succession certificate or Probate and if not by inheritance, proper proof to be enclosed

Consent letter to be signed properly by all claimants other than the one authorised to receive, along with respective address, Photo copies of Death certificate, legal heir ship certificate and any other certificate enclosed should be attested by branch official with the noting 'verified with the originals' and any other certificate. When it is based on a Will, it is advisable to get consent of other Legal representatives / Legal heirs Age of the deceased depositor should tally with that given in the Death certificate / Legal heir ship certificate.

Complete address of the depositor as on date of death to be given Status to be filled up properly and not showed as NIL.

Religion should be filled indicating the correct religion of the deceased depositor and in case of Mohammaden 'Sunni' or 'Shia' to be additionally mentioned.

Manager has to certify the following:

1. The particulars mentioned in Col.No.3 (a) are correct.

2. Details of deposits claimed with nos. and balance, Jewel Loan a/c nos. with details of Gross Weight, Net Weight and value have to be mentioned.
3. Details of documents held in the case of release of EM property.
4. Locker No. with details of arrears of rent, if any.
5. There is no nomination registered in the deposits in the case of deposits where nomination is not registered.
6. There are no direct/indirect liabilities of the deceased depositor/claimants. If there are liabilities the same have to be mentioned by furnishing their details and the particulars of the overdue position if any.
7. The persons who have signed the vouching letters are known to the bank.
8. If the loan accounts are closed the same has to be mentioned. In case JL, the person who has repaid the account should be mentioned.
9. Branch Manager's specific recommendations in whose favour claim has to be recognized should be in page No. 5 of Claim form itself.

In settling claim in respect of the account standing in the name of deceased depositors, the photograph of all claimants attested by respectable persons known to the branch shall be insisted where the value of the claim is above Rs.10000/-.

Death Claim Monitoring System:

To track status of pending death claims at various levels, BOARD has directed to develop an online tracking system and now the same has been made online under the title "DEATH CLAIM MONITORING SYSTEM" which is an in-house application. Branches are advised to register the death claim applications in the portal without fail whenever the death claim application is received.

Rolling out of Online Death Claim Settlement Portal for deceased account (Circ No. 21774 dated 20.05.2023)

As part of Digital Transformation in Bank and in compliance of EASE directive, a Portal for Settlement of Death Claims in Deceased account has been introduced with an intention to enable the claimants / Legal Heirs to submit the Death Claim directly in the "Death Claim Settlement Portal". The Claimant can download the format of claim form, documents etc. which are to be uploaded in the Portal through internet without visiting Branch.

To start with, the Portal is rolled out for settlement of death claim in deceased account where NOMINATION IS NOT AVAILABLE. For nomination registered cases, nominee has to approach branch for receiving the proceeds, till the Portal is enabled for the same.

The Portal for settlement of Death Claim is rolled out with immediate effect and Branches / Zonal Offices shall ensure that all pending claims (with respective offices) are entered into this Portal and settled through this Portal only.

As Dash Board is provided at Branch / Zone / FGMO / CO level and pendency at each office can be ascertained on real time basis.

As the Portal is developed as Customer / User friendly and TAT on real time basis could be monitored, the Portal would certainly improve the customer service and the MIS data which were periodically collected by Legal Department in this regard, would henceforth be dispensed with.

Asst. Branch Manager (ABM) / Desk Officer in-charge of settlement of death Claim at Branch / Zone / HO will act as the Maker while Branch Manager / DZM or ZM / DGM(R&L) shall be the Approver for proposals falling under the powers of Branch / Zone / HO respectively.

Delegated power of Approver will be based on Branch Manager's Scale (not based on Branch Scale) and the Delegated Powers for settlement of Death Claim (Approver) at various levels as detailed below:

Branch Manager/DZM/ZM Scale	**Monetary Power of sanction of Death Claim settlement**
Scale I	Up to Rs.1.00 Lakh
Scale II	Up to Rs.2.00 Lakh
Scale III	Up to Rs.7.50 Lakh
Scale IV / DZM	Up to Rs.15.00 Lakh
Scale V / ZM / DZM	Up to Rs.30.00 Lakh
Scale VI / ZM	Full Power/ unlimited powers
DGM (Law) / DGM (R&L)	Above Rs.30.00 Lakhs where the Zone is headed by an AGM.

NPA MANAGEMENT & RECOVERY

Prudential Norms: - An asset, including a leased asset, becomes non-performing when it ceases to generate income for the bank.

Out of Order Status: - An account should be treated as 'out of order' if the outstanding balance remains continuously in excess of the sanctioned limit/drawing power. In cases where the outstanding balance in the principal operating account is less than the sanctioned limit/drawing power, but there are no credits continuously for 90 days as on the date of Balance Sheet or credits are not enough to cover the interest debited during the same period, these accounts should be treated as 'out of order'.

A Non Performing Asset (NPA) is a loan or an advance where;

- Interest and / or installment of principal remain overdue for a period of more than 90 days in respect of a term loan (other than agriculture)
- The account remains ‘out of order’ as indicated below, 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 installment of principal or interest there on remains overdue for two crop seasons for short duration crops.
- The installment of principal or interest there on remains overdue for one crop season for long duration crops.
- The amount of liquidity facility remains outstanding for more than 90 days, in respect of a securitization transaction undertaken in terms of guidelines on securitization dated February 1, 2006.
- 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.
- Interest and / or installment of principal remaining overdue for a period of more than 90 days in respect of a term loan

In Case of OD/OCC A/c out of order for more than 90 days

- Outstanding balance above limit for 90 days
- No credit for the last 90 days
- Credit not sufficient to cover interest
- No stock statements for the last 180 days 3. Regular credit limits not reviewed/renewed within 180 days from the due date; adhoc not regularised within 90 days

- Bills purchased Bills if overdue for more than 90 days. Even if one bill is classified as NPA, the entire BP account and all other facilities of the borrower are to be classified as NPA.
- Defaulted Guarantee or devolved LC when it become fund based and remain overdue for 90 days

In case of Agriculture Loans STPL

- Interest and / or installment remains overdue for 2 crop seasons for short duration crops & 1 crop season for long duration crop, on the Standard Asset End Date

Standard Asset End Date:

- For short duration crops: Crop Period + Marketing Period + Two crop seasons = eg Paddy: 5+2+24 (12+12) = 31 Months.
- For long duration crops: Crop Period + Marketing Period + One crop season = eg Sugarcane: 18+2+18 = 38 Months.

NPA Classification- exemptions

- LOD/NSC/LIC/KVP
- SHL/SVL & other staff loans where interest is payable after principal NPA only when installments in default. .
- When account is re-phased/restructured before it slips to NPA category – SMA
- Exemptions made as per RBI guidelines- Agriculture loans due to natural calamities.

Interest on NPA should be classified under MOI, without vouching

Prudential norms application should be borrower wise and not facility or account wise, hence all credit facilities of a borrower is having uniform asset classification. An asset may be straight away classified as Doubtful / Loss asset, depending upon the erosion in the value of securities or non-availability of security. If the realizable value of security is less than 50% of the value assess by the bank or accepted by RBI at the time of last inspection it should be classified as doubtful and if it is less 10% of the outstanding as loss asset. Accounts classified as fraud should be classified as loss asset and full provision (100%) made irrespective of security and date of NPA. Migration / Slipping of NPA account from one category to another (SS to D1, D1 to D3, and D2 to D3) is purely based on age of NPA.

Up gradation of loan accounts classified as NPAs:- If arrears of interest and principal are paid by the borrower in the case of loan accounts classified as NPAs, the account should no longer be treated as nonperforming and may be classified as ‘standard accounts’.

Income Recognition Policy:-As per RBI guidelines the policy of income recognition has to be objective and based on the record of recovery. Internationally income from nonperforming assets (NPA) is not recognized on accrual basis but is booked as income only when it is actually received. Therefore, in NPA accounts any type of income should not be charged and taken to Income Head. This will apply to Government guaranteed accounts also. However, interest on advances against term deposits, NSCs, IVPs, KVPs and Life policies may be taken to income account on the due date, provided adequate margin is available in the accounts. Fees and commissions earned as a result of renegotiations or rescheduling of outstanding debts should be recognized on an accrual basis over the period of time covered by the renegotiated or rescheduled extension of credit. Interest Income in respect of Restructured Asset classified as standard asset will be recognized on accrual basis & that in respect of Restructured assets classified as non-performing assets will be recognized only on cash basis. Interest realized on NPAs (after adjustment of principal) may be taken to income account provided the credits in the accounts towards interest are not out of fresh/ additional credit facilities sanctioned to the borrower concerned.

Reversal of income: - If any advance, including bills purchased and discounted, becomes NPA, the entire unrealized interest credited to income account in the past periods, should be reversed. This will apply to Government guaranteed accounts also. In respect of NPAs, fees, commission and similar income that have accrued should cease to accrue in the current period and should be reversed with respect to past periods, if uncollected. In case of Leased Assets The finance charge component of finance income on the leased asset which has accrued and was credited to income account before the asset became non-performing, and remaining unrealized, should be reversed or provided for in the current accounting period.

General Principles and Prudential Norms for Restructured Advances: - Banks may restructure the accounts classified under 'standard', 'sub-standard' and 'doubtful' categories but Banks cannot reschedule/restructure/renegotiate borrower accounts with retrospective effect. Normally, restructuring cannot take place unless alteration / changes in the original loan agreement are made with the formal consent / application of the debtor. However, the process of restructuring can be initiated by the bank in deserving cases subject to customer agreeing to the terms and conditions. No account will be taken up for restructuring by the banks unless the financial viability is established and there is a reasonable certainty of repayment from the borrower, as per the terms of restructuring package.

Restructuring of advances could take place in the following stages:

- Before commencement of commercial production/operation;
- After commencement of commercial production/operation but before the asset has been classified as 'sub-standard';

- After commencement of commercial production/operation and the asset has been classified as 'substandard' or 'doubtful'.

The accounts classified as 'standard assets' should be immediately re-classified as 'sub-standard assets' upon restructuring where regulatory concessions are not available in areas like consumer and personal advances; advances classified as capital market exposures; and advances classified as commercial real estate exposures. The non-performing assets, upon restructuring, would continue to have the same asset classification as prior to restructuring and slip into further lower asset classification categories as per extant asset classification norms with reference to the pre-restructuring repayment schedule. Any additional finance may be treated as 'standard asset', up to a period of one year after the first interest/ principal payment, whichever is earlier, falls due under the approved restructuring package. In case a restructured asset, which is a standard asset on restructuring, is subjected to restructuring on a subsequent occasion, it should be classified as substandard.

Asset Classification of NPAs:

Sub Standard: - A substandard asset would be one, which has remained NPA for a period less than or equal to 12 months.

Doubtful Assets: An asset would be classified as doubtful if it has remained in the substandard category for a period of 12 months

Loss Assets: A loss asset is one where loss has been identified by the bank or internal or external auditors or the RBI inspection but the amount has not been written off wholly.

Provisioning for Standard Advances:

- Direct Advances to Agriculture and SME: 0.25%
- All other advances: 0.40%.
- Commercial Real Estate Projects: 1.00%.
- Commercial Real Estate Residential: 0.75 %
- Housing Loans extended at teaser rates: 2%.
- Any NPA account upgraded to standard: 2% for first year of up gradation.
- Provision for delayed implementation of project infra: 0.40% till 2 years from DCCO (Date of commencement of commercial operation) and 2% from 3rd and 4th year.
- Non infra: 0.40% up to 6 months from DCCO and 2% for the next 6 months.

Provisioning Norms for NPA Accounts

Type of Assets	Provision	
	Secured	Unsecured
Substandard	15%	25%
Doubtful-1	25%	100%

Doubtful-1	40%	100%
Doubtful-1	100%	100%
Loss	100%	100%

Asset Classification :-In case of restructuring, the accounts classified as 'standard' shall be immediately downgraded as nonperforming assets (NPAs), i.e., 'sub-standard' to begin with performing assets, upon restructuring, would continue to have the same asset classification as prior to restructuring. In both cases, the asset classification shall continue to be governed by the ageing criteria as per extant asset classification norms.

Provisioning Norms:

Normal Provisions for standard / NPA accounts:-
Provision for diminution in the fair value of restructured advances:-Reduction in the rate of interest and /or re scheduling the repayment of principal amount, as part of the restructuring, will result in diminution in the fair value of the advance. Such diminution in value is an economic loss for the bank and will have on the bank's market value of equity. It is therefore, necessary for banks to measure such diminution in the fair value of the advance and make provisions for it by debit to Profit & Loss Account in addition to the normal provisioning as per NPA guidelines.
Sacrifice: The erosion in the fair value of the advance should be computed as the difference between the fair value of the loan before and after restructuring. Fair value of the loan before restructuring will be computed as the present value of cash flows representing the interest at the existing rate charged on the advance before restructuring and the principal, discounted at a rate equal to the actual interest rate charged to the borrower before restructuring. Fair value of the loss after restructuring will be computed as the present value of cash flows representing the interest at the rate charged on the advance on restructuring and the principal discounted at a rate equal to actual interest rate charged to the borrower before restructuring. Any change in BPLR/Base Rate / MCLR/RBLR will be taken into account for future review of NPV of such account.
Conditions for Upgrade: Standard accounts classified as NPA and NPA accounts retained in the same category on restructuring by the lenders may be upgraded only when all the outstanding loan / facilities in the account demonstrate 'satisfactory performance' (i.e. the payments in respect of borrower entity are not in default at any point of time) during the 'specified period'.
For the large accounts (i.e. accounts where the aggregate exposure of lenders is 1 billion and above) to qualify for an upgrade, in addition to demonstration of satisfactory performance, the credit facilities of the borrower shall also be rated as investment grade (BBB or better) as at the end of the 'specified period' by CRAs accredited by the Reserve Bank for the purpose of bank loan ratings. While accounts with aggregate

exposure of 5 Cr and above shall require two ratings, those below 5 Cr shall require one rating. If the ratings are obtained from more than the required number of CRAs, all such ratings shall be investment grade to qualify for an upgrade.
In case satisfactory performance during the specified period is not demonstrated, the account shall, immediately on such default, be reclassified as per the repayment schedule that existed before the restructuring. Any future upgrade for such accounts shall be contingent on implementation of a fresh RP and demonstration of satisfactory performance thereafter.

Income Recognition Norms:-

Interest income in respect of restructured accounts classified as 'standard assets' may be recognized on accrual basis and that in respect of the restructured accounts classified as 'non-performing assets' shall be recognised on cash basis. In the case of additional finance in accounts where the pre-restructuring facilities were classified as NPA, the interest income shall be recognised only on cash basis except when the restructuring is accompanied by a change in ownership. Conversion of Principal into Debt / Equity and Unpaid Interest into 'Funded Interest Term Loan' (FITL), Debt or Equity Instruments The FITL / debt / equity instruments created by conversion of part of principal / unpaid interest, as the case may be, will be placed in the same asset classification category in which the restructured advance has been classified.

Change in Ownership: In case of change in ownership of the borrowing entities, credit facilities of the concerned borrowing entities may be continued/upgraded as ‘standard’ after the change in ownership is implemented, either under the IBC or under this framework.

Cases of frauds/willful defaulters: - Borrowers who have committed frauds/ malfeasance/ willful default will remain ineligible for restructuring. However, in cases where the existing promoters are replaced by new promoters, and the borrower company is totally delinked from such erstwhile promoters/management, lenders may take a view on restructuring such accounts based on their viability, without prejudice to the continuance of criminal action against the erstwhile promoters/management.

Additional Finance: - Any additional finance approved under the RP (including any resolution plan approved by the Adjudicating Authority under IBC) may be treated as 'standard asset' during the specified period under the approved RP, provided the account performs satisfactorily during the specified period. If the restructured asset fails to perform satisfactorily during the specified period or does not qualify for up gradation at the end of the specified period, the additional finance shall be placed in the same asset classification category as the restructured debt.

Various Recovery tools & Measures

Non-performing Assets are a drag on the Bank's profitability and affect the Bank in following ways:

- The bank is not able to recognize interest income in respect of these assets.
- In addition the bank is required to make prescribed provisioning ranging from 15% to 100% of such NPAs from out of interest income earned by it from other good performing assets.
- Besides impacting the profitability, large NPA position of the bank affects its balance sheet and present uncomfortable indices.

Thus occurrence of these assets is to be avoided at any cost in the first place by effective monitoring of performing assets. Once the assets are stressed and the accounts slipped into NPA, concerted efforts need to be taken expeditiously for resolving the NPAs through all channels of recovery.

NPA can be reduced by up gradation of Assets/Recovery through host of measures.

- Up gradation of accounts by recovering the overdue amount.
- Rephasement/Restructuring/Rehabilitation of accounts wherever possible/ justified within the ambit of Bank's policy.
- Recovery of amount through various recovery tools and measures.

Recovery strategy to be adopted varies from one account to another and account specific action needs to be adopted for desired result. Some of the commonly adopted measures are:

- ✓ Lok Adalats
- ✓ SARFAESI Action
- ✓ Filing of suit / Recovery application before competent legal forum
- ✓ Insolvency Laws / Laws on Liquidation
- ✓ Invocation of personal guarantee
- ✓ Classification and reporting as Willful Defaulters
- ✓ Compromise settlement / OTS
- ✓ Engaging Recovery Agents for assisting in speedy recovery.
- ✓ Utilizing the services of Business Correspondents

Lok Adalat

Lok Adalats may be organized through the Legal Services Authorities both in suit filed accounts as well as non - suit filed accounts. The advantage of referring non-suit filed accounts is that Bank can save on Court fees and other expenses as the award passed by Lok Adalats is tantamount to a decree enabling Bank to file execution petition based on the award in instances of non-compliance. It is also clarified that Lok Adalats can be organized in all types of accounts whether it is secured/unsecured/small or high value/ suit filed /non-suit filed, etc. In Principle approval from the respective OTS sanctioning authority for indicating Reference Recoverable Amount as per Policy should be obtained before referring the accounts to Lok Adalat.

Lok Adalat shall be attended by Zonal Office representative/s suitably equipped to exercise the powers of ZLCC such that maximum benefit shall be reaped. Likewise, wherever possible, Corporate Office representatives shall also attend the mega Lok Adalats suitably equipped with COLCC (GM) powers wherever warranted on a diligent basis.

Monetary ceiling of cases to be referred to Lok Adalats, organized by Civil Courts is up to Rs. 20 lakhs. In view of this all proceedings pending before Civil Courts, wherein the total amount due up to the date of settlement is Rs. 20 lakhs or below, can be referred for settlement before Lok Adalats organised by State Legal Services Authorities, District Legal Services Authorities and Taluk Legal Services Authorities.

SARFAESI ACT

Action under SARFAESI Act: - In order to strengthen and ensure quick recovery of bad debts the Securitization and Reconstruction of Financial Asset and Enforcement of Security Interest Act (SARFAESI Act) was enacted in 2002. The provision of the Act empowers the Bank to take possession of mortgaged securities without intervention of the Court and also to dispose it off for recovery of their bad debts. The SARFAESI Act has since been modified vide Enforcement of Security Interest and Recovery of Debts Laws and Miscellaneous Provisions(Amendment) Act,2016 notified on 16.08.2016 and by The Security Interest (Enforcement) (Amendment)Rules 2002 which was notified on 04.11.2016. The revised guidelines are also to be kept in mind while considering action under SARFAESI Act.

Coverage: - under the Act Banks/financial Institutions are given quasi- judicial powers to recover their dues by sale of charged assets without intervention of the Court.

Action under SARFAESI Act can be initiated in the following:

1) The account must be NPA in the books of the Bank.
2) The amount outstanding (total dues) in the account should be more than Rs.1.00 lakh and should be more than 20% of the Principal amount and interest thereon.
3) The secured asset should not be an Agricultural Land. However it can be enforced where agricultural land given for mortgage is not used for agricultural activities. Field level functionaries should ascertain the use of land at the time of security enforcement and invoke SARFAESI action accordingly.
4) The account must be within the period of limitation and the documents are valid and enforceable.

5) The secured asset must not be under Bank's lien/pledge
6) SARFASEI action can be initiated even in suit filed cases and vice versa. There is no bar for simultaneous action.

Cases where SARFAESI action cannot be initiated

- Non NPA accounts.
- Personal assets of the borrower/guarantors not charged to the Bank.
- Properties not liable for attachment/sale under Section 60 of CPC (except the security specifically charged with the debt recoverable under the Act)
- If an application filed by the borrower company or by any person before the National Company Law Tribunal for initiating CIRP against the borrower and the same is admitted, there is a moratorium period from the date of admission and no quasi-legal/legal action can be initiated against the borrower / guarantor..

Appointment of Authorised Officers for the purpose of SARFAESI action

As per our Board approved Policy, all officers in the rank of Chief Manager and above can be appointed as Authorised Officers for initiating action under SARFAESI act. The AGM/CM posted in branches will automatically act as authorized for the NPAs account in their respective branches. ZO will appoint the authorized officers for other accounts in branches not headed by AGMs/CMs, from the available Chief Managers and above officers in the Zone. All the original papers should be maintained by the concerned branches and the Authorised Officer copies of all the related papers for ready reference and follow up and timely action.

Points to be noted while initiating SARFAESI action

1) Single Demand Notice under section 13(2) should be served on the borrowers/guarantors/mortgagors to the last available address with the Bank and in case of a company should be served on its Registered Office address.
2) Any objection/representation is received from the borrower/guarantor/mortgagor concerning the notice the same should be replied within 15 days of its receipt, as the same is mandatory under the Act. It should be ensured that the objection received is suitably disposed off and not pending at the time of taking possession under Section 13(4).
3) Symbolic possession of movable assets is not envisaged in the Act and hence only physical possession should be taken for movable assets.
4) In case of assets where physical possession is taken are perishable and will decay speedily the same should be sold immediately by the authorized officer.
5) Immediately on taking symbolic possession of the mortgaged property, Authorised Officer should take steps for obtaining physical possession of the properties by filing application with Chief Metropolitan Magistrate (CMM)/Chief

Judicial Magistrate /District Magistrate (DM) as the case may be. This will enable receipt of more bids on sale and also for smooth transfer of property

6) After taking symbolic or physical possession of the secured assets, Authorised Officer to file Caveat in DRT/High Court having jurisdiction, for preventing any ex-parte order in appeal/SA filed or likely to be filed. Caveat filed is valid for 90 days and on expiry, if required, Bank can file another caveat before the concerned DRT/High Court.
7) In respect of properties of value Rs.100.00 lakhs and above 2 valuations have to be obtained and the higher of the 2 valuations should be considered for fixing Reserve Price.
8) Reserve Price will be fixed by Security Enforcement Committee (SEC) on the recommendations of AO concerned at Zonal Office. The SEC comprising the Zonal Manger and Senior Officials working in Zone Office preferably from Recovery, Legal, Expenditure, Premises, Inspection, and Administration in the Zonal Offices may be constituted with a minimum of three members. However, the Authorized Officer shall not be a member of SEC. The Department Head of Legal / Recovery Cell in Zonal Office shall be the Convener for this committee and shall ensure maintenance of all relevant records. Reserve Price is to be fixed depending upon the location, sale ability, no. of sales, etc.
9) The constitution of FGM-SEC is as under: DGM (FGMO) - Chairman AGM or CM (Recovery) at FGMO -Member CM (Premises) or CM (Inspection) at FGMO - Member Law Officer (or) SM or Manager (Rec) is the Convener of the SEC. Quorum: Three with Compulsory presence of Chairman.
10) Reserve Price will be fixed by Security Enforcement Committee (SEC) at SAM Large Branches for SAM Large Branches only on the recommendations of AO. The constitution of SAM Large Branch level SEC is as under: Branch Head– Chairman AGM / CM –Members Law Officer (or) SM or Manager (Rec) is the Convener of the SEC. Quorum: Three with Compulsory presence of Chairman. Authorised Officer for the said account shall not be a member to the meetings.
11) The SEC may consider the Reserve /upset price 10 to 25% less than the valuation, taking into account the realizable sale value of the assets at the given point of time, but shall not be less than the distress sale value given by the Approved Valuers or 75% of the market value whichever is higher.
12) For the first sale Realizable Value will be the Reserve Price
13) If it is resale for want of bidders, reserve price to be suggested by SEC at 80% of distress sale value or 60% of market value whichever is higher. Anything below that should be referred to Recovery Department, Corporate Office for fixation of the Reserve Price with acceptable reasons for recommending a lesser price. However, while fixing Reserve Price in case of resale, it should be ensured that the valuation report should be within 1 year.

14) Where resale of the property is undertaken, 15 days' notice is sufficient.
15) Recently, the amendments have been made to SARFAESI Act and rules which stipulate that Right of Redemption of the borrower/mortgagor is available only till the date of issuance, service, and publication of sale notice as the case may be and not thereafter.
16) The Authorised Officer before issuing Sale Certificate should ensure compliance to Income Tax and GST as applicable.
17) Only one Sale Certificate to be issued and there is no provision in SARFAESI Act for issuance of duplicate certificate.
18) In respect of multiple properties put on sale by fixing a single Reserve Price, only one sale certificate to be issued for the sale value detailing all the properties put on sale and not individual sale certificate.
19) Now, after the amendment any tenancy issues on the security which is brought for sale under SARFAESI Act will have to be agitated by the tenants before DRT only under Sec.17(4). Therefore DRT has been conferred with the powers to look into the tenancy issues and adjudicate as to whether it is tenable, for the purpose of enforcement

Benefits of action under SARFAESI Act

- After completion of 60 days' notice period Bank can take possession of the secured properties and recover the dues by sale or lease or assignment of the assets.
- Bank can also take over management of the business of the borrower and can appoint personnel for management of the business.
- The notice under Section 13(2), on receipt of the same by the borrower/guarantor/mortgagor, will automatically bar them from alienating/transferring or dealing in any manner the assets charged to the Bank.

SARFAESI action is time bound and should be implemented within the framework of SARFAESI Act/ Rules framed there under and the internal guidelines of the Bank. The time frame stipulated should be followed meticulously and completion should be ensured within 120 to 130 days.

Suit Filed Accounts: - In suit filed cases (including cases pending before DRTs), if the period of limitation is available based on loan documents/ last renewal / AOD then measures under the Act can be taken. In the case of non-suit filed accounts the following aspects have to be borne in mind:

- If security is sufficient to cover the dues fully or there is nothing other than the security, bank may issue notice and proceed under the Act.
- If security is not sufficient and recovery by proceeding against other assets, is necessary, bank would have to proceed under the Act before filing Suit /

Recovery Application sufficiently early so that proceedings under the Act could be completed before the expiry of the period of limitation and bank could file Recovery Application / Suit thereafter for the balance within the limitation period.

Decreed Cases - The word 'Debt' has been defined to mean and include the same term as in 'DRT Act', going by the same money due under a decree is 'Debt'. Therefore even civil court decreed cases, RC issued cases and Lok Adalat Awards, we may treat the money due under such decrees as 'Debt' and the security interest has culminated in the decree and therefore SARFAESI action can be initiated within 12 years from date of Decree/RC, wherever mortgage interest is involved. Here, it has to be borne in mind that there is no distinction between a preliminary decree and a final decree for SARFAESI action and therefore even where preliminary decree is obtained, Bank may issue demand notice based on the same.

Exemptions: The Act is not applicable to Security interest created in

- Agricultural land.
- Security interest created for securing repayment of any financial asset not exceeding Rs 1.00 lakh Assets in which the Amount due is less than 20% of the principal amount and interest thereon Lien on any goods, money or security, creation of security in air craft's or vessels, conditional sale, hire purchase or lease or any other contract in which no security interest has been created. Rights of unpaid seller, properties not liable to attachment under Section 60 (1) of CPC (Eg. Tools of artisans, personal belongings like wearing apparel, bedding etc., of judgment debtor, stipends and gratuities allowed to pensioners of Government or of Local Authority, wages of labourers and domestic servants, all monies payable under LIC Policy of the judgment debtor etc.,) and such other items as may be exempted under respective State Amendments.
- Herein the important aspect to be borne in mind is that if the land is not used for agricultural purposes it will not fall under the exemption. Care should be taken to ensure that the exempted categories do not come under the ambit of such identified accounts.
- Guarantor liability and pledge - By resorting to measures under the Act, the rights of Bank as secured creditor to proceed against the guarantors is not taken away. Similarly the right to sell the pledged goods under general law also subsists.
- Consortium accounts and / or Joint Finance - In the case of financing by more than one secured creditors under consortium arrangement or joint financing, bank is not entitled to exercise the powers under Sec13 (4) of SARFAESI Act unless secured creditors representing not less than 60% in value of the amount outstanding (the total amount due to be payable) agree/consent for such action. This consent is required only at the stage of taking possession etc [Sec 13(4) measures] and not necessarily at the stage of issuance of Demand Notice.

Recovery Agents:- Under SARFAESI Act, Bank is entitled to issue demand notice, take possession and effect sale of securities without intervention of Court or Tribunals. For this purpose, the Authorised Officer is at liberty to make use of the services of specialised agencies (Recovery Agents) in activities like taking possession, drawing inventory, making security arrangements, effecting sale, etc. Furthermore even in other process of recovery like in the suit filing process, for the purpose of identifying other assets, to co-ordinate/liaison with Government Agencies, Municipal authorities, the registration authorities and Recovery Officer of DRT, Officials of the Court etc, the services of Recovery Agents would be of immense help. While empanelling Recovery Agents, it shall be ensured by them that Principle of Natural Justice and the guidelines laid down in Indian Bank Model Code for Collection of Dues and Repossession of Securities (CDRS Code) is adhered to. Our Bank has approved to entrust Agri Loans, Educational Loans, MSE Loans, SHG loans etc., with balance below Rs.10 lakh, to Business Correspondents / Self Help Groups / Community Bank Co coordinators after empanelment of them as Recovery Agents. In case, after the initiation of the recovery process by the Recovery Agent, the account is settled by OTS or the recovery proceedings are stayed by the conditional orders, the fees payable to the Recovery agent is fixed @ 5% of the amount offered by way of OTS / amount recovered by conditional orders subject to a maximum of Rs. 5.00 Lakhs.

Out of Pocket expenses that may be incurred by Recovery Agent for taking physical possession including obtaining order from DM/CMM/CJM will be reimbursed by Bank on declaration basis.

- For property value up to Rs.1.00 Crs: Rs.35,000/- (Negotiable)
- For property value of Rs.1.00 Crs to Rs.5.00 Crs: Rs.50, 000/- (Negotiable).
- For property value of Rs.5.00 Crs and above Rs.1, 25,000/- (Negotiable).

In case, after the initiation of the recovery process by the Recovery Agent, the account is settled by OTS or the recovery proceedings are stayed by the conditional orders, the fees payable to the Recovery agent is fixed @ 8% of the amount offered by way of OTS / amount recovered by conditional orders subject to a maximum of Rs. 5.00 Lakhs.

Private Treaty: - Amendments are made in SARFAESI Act which facilitate / encourage private treaty mode of sale by making it abundantly clear that the terms of sale through private treaty mode is only to be settled / decided between the secured creditor and the proposed purchaser and the borrower need not be involved, but the borrower / guarantor / mortgagor has to be notified of the sale process that bank intends to adopt through Private Treaty mode. Branch / Zonal Office can consider adopting private treaty mode, if the attempts of sale by bank through public mode of sale namely auction or tender process has failed twice or thrice, despite marketing efforts of the bank and Authorised Officer, with realistic Reserve Price of the property.

Insolvency & Bankruptcy Code: Bank utilizes combination of various recovery tools in realizing NPAs. Now Insolvency and Bankruptcy Code (IBC) provides single umbrella legislation for Insolvency and bankruptcy issues of all types of borrowers. As on date only National Company Law Tribunals (NCLTs) have been notified to deal with Insolvency Resolution and Liquidation Process for Corporate Debtors. The vital IBC provisions having practical implications are as follows: Debt recovery tribunal (DRT) have jurisdiction for individuals, partnership firms, proprietary concerns and national company law tribunals (NCLTs) have jurisdiction for Companies and LLPs.

IBC Proceedings Wherever possible CIRP process is to be initiated at NCLT against the corporate debtor before considering any OTS offer

Pre-package (PPIRP) options should be explored for MSME units
IBC Application may be filed by Financial Creditors (Banks and Financial Institutions) or Operational Creditors (Sundry creditors who give line of credit for supplies) or jointly by both. Insolvency Resolution Professionals (IRPs) registered with approved agencies of IBBI would be conducting the resolution process. In exercise of the powers conferred by the proviso to Section 4 of IBC,2016, Government of India, Ministry of Corporate Affairs, vide Notification dated 24.03.2020 has specified Rs.1.00 Crore as the minimum amount of default, against Rs.1 lakh.

Since the provisions of limitation act are applicable to applications under IBC it may be filed within three years from the date of default.

NCLTs shall within 14 days of receipt of application, ascertain the existence of default, verify credentials of IRP and admit the application and if orders are not passed within such time, it shall record its reasons in writings. When it takes a view to reject the application, prior to doing the same, 7 days' notice to the applicant shall be given for rectification.

The entire resolution process (CIRP) is expected to be completed within 180 days which may be extended for reasons to be recorded in writing. This Application for extension shall be filed by RP, based on resolution passed at Committee of Creditors (CoC) by a vote of not less than 66% of voting shares. As per recent amendment, the entire process is to be completed mandatorily within 330 days including time spent on litigation.

During CIRP period NCLT shall declare moratorium which brings to standstill, initiation of any legal measures /SARFAESI action etc. The limitation for filing suit gets extended during moratorium period which is only against the borrower company. As against the

Guarantor /corporate guarantor SARFAESI action/suit needs to be filed within the limitation period.

During moratorium, there is a standstill clause which does not permit for interim finance, altering share of capital structure, amending constitutional documents, change of management etc.

IRP shall exercise control over affairs of the borrower and even over powers of the board of directors. The officers and managers of the borrower shall extend cooperation to IRP.

IRP will issue a public announcement and call for claims from all Creditors within three days of appointment. IRP shall collate the claims and constitute a CoC and the first meeting shall be within seven days of its constitution, wherein the IRP can be confirmed as RP or can be replaced with another RP by a majority vote of 66%.

Resolution plan shall be submitted by Financial Creditors and/ or any other Resolution Applicant approved by CoC, by vote of not less than 66% of the financial creditors and same shall be approved by NCLT. Once resolution plan fails or where there is no scope for effective resolution plan then it moves to liquidation procedure.

Under liquidation process, NCLT shall pass an order requiring corporate debtor / borrower to be liquidated and issue a public announcement to that effect.

Once liquidation order is passed; suit or other legal proceedings cannot be instituted or proceed against Corporate Debtor. During liquidation process RP shall act as Liquidator too and exercise all powers of Board of Directors, Key Managerial Personnel (KMP) etc., from that date. Maximum time span for liquidation process is laid out to be 1 year.

Proceedings initiated by or against such corporate debtors and their guarantors, if any, which are pending at other forum shall also be transferred to NCLT concerned.

Recovery application filed against partnership firm, individuals, proprietorship concerns and its connected liquidation proceedings shall be conducted by DRT.

Financial creditors shall submit their claim to the liquidator within a period of 30 days from commencement of liquidation process, who shall after verification; either admit or reject the claim and communicate his decision to Corporate Debtor and Creditor within 7 days. Relinquishment of security if opted has to be done within 30 days.

Appeal against the orders of NCLT shall lie to NCLAT and from DRT to DRAT within 30 days of the order of lower forum. Further appeal from NCLAT shall lie to Supreme Court.

When the matter is before NCLT / NCLAT, no other Court or Tribunal can pass any injunction order

IBC deals with waterfall mechanism, i.e. order of priority of secured creditor's viz – a viz. Government dues and other dues. The secured creditor dues rank prior to all dues, including Government dues.

Committee of General Managers is the Competent Authority for according approval of filing of applications under IBC.

Authorities to take decision on resolution mechanism: wherever there is scope for revival/rehabilitation/restructuring, the competent authorities who are empowered with the sanction of revival/rehabilitation and restructuring plans as per the Bank's Credit Policy in vogue shall be the Competent Authorities herein also. Wherever there are possibilities of OTS, the Competent Authorities who are empowered with the sanction of OTS and haircut/write off/ waiver as per the Bank's Recovery Policy in vogue will act as authorities to take a decision on case specific basis.

Authority to sign/file applications/affidavit related to IBC / NCLT: For SAM Large Branches / LCB / Branches headed by DGM / AGM – Branch Head & in his absence AGM/CM. For SAM Small Branches / other Branches – FGM/ZM, as applicable, to nominate Officers not less than Scale IV officer

The committee of creditors meetings is to be duly represented by Bank officials as follows:

a) Branch Headed by GM/DGM/AGM-Branch Manager not below rank of Assistant General Manager or an executive /Senior Manager from concerned FGMO/ZO to be decided by FGM.
b) Branch Headed by Chief Manager or below- Branch Manager or an executive from FGMO/ZO concerned to be decided by FGM.

The Designated Officer and the Branch Manager shall update the Zonal Office / FGMO / Corporate Office (R&L) about the proceedings of CoC, minutes, proposed resolution plan and other incidental matters. The team at ZO/FGMO/CO will provide necessary inputs/guidance on such plans/information then and there to the Designated Officer.

Declaring as Willful Defaulters: RBI has evolved guidelines as regards classification of certain categories of borrowers as 'Willful Defaulters'. The main intent and purport of classification of a borrower as wilful defaulter would be to have a credit discipline, help to disseminate credit information pertaining to willful defaulters and also insures that further Bank finance is not made available to them. The identification of willful default, oriented on diversion of funds/siphoning of funds would have to be judgement of the lenders based on objective facts and circumstances of the case. Further the identification should also bear in mind the track record of the borrowers and should not be decided on isolated transaction/incidence and it should be intentional, deliberate and calculated.

Compromise Settlement / OTS: Compromise Settlement or One Time Settlement has been found to be one of the quickest and easiest routes to resolve and recover our dues in most of NPAs. Compromise / Negotiated settlements may be considered in an account where exiting from the account by accepting a reasonable sacrifice is better option than to continue with the legal battles for uncertain period and for an uncertain result. In all cases where the advance is secured by tangible assets, the economics of the compromise proposal should be determined in such a manner that it is always advantageous to the Bank. Compromise proposals should be supported by /substantiated with justification as to the need for and circumstances that have led to opting for compromise mode of recovery and should be highlighted and discussed in detail.

Factors attribute for OTS option are:

- Failure of unit due to commercial or technical reasons.
- Government policies affecting functioning of the unit,
- Court orders
- Death of principal promoter
- Non-availability / loss / depletion of securities etc. Reference

Recoverable Amount:- (RRA) is the basic amount which the Bank shall generally insist for accepting a compromise settlement from the borrower/guarantor etc. Factors like Availability of securities, its sale ability, cost of realisation, net worth of the borrowers/guarantors etc. are to be taken into account before going for OTS.

Applicable interest rate to be applied for computing Notional Dues and as discounting rate for Net Present Value (NPV) purpose will be 10.25%.

No compromise proposal should be rejected at the Branch Manager's level (except SAM Large / LCBs). It should be referred to the next higher authority for decision.

An OTS can be offered

- by Principal Borrower/s
- Guarantor/s
- Parent Company
- Other interested parties like drawees of bills, legal heirs, purchaser of charged assets of the bank (subsequent buyers), tenants, etc
- At any case, an offer of OTS should be obtained in writing, with the OTS amount and terms of payment

OTS in SARFAESI applicable accounts

- SARFAESI proceedings to be followed meticulously
- It should be ensured that all efforts are made to put the mortgaged properties for sale at least once before entertaining any OTS request from customer
- OTS to be negotiated in such a way that OTS amount offered is more than the NPV of securities.

OTS Policy is applicable to: -

- All NPA Accounts (including suit filed, decreed, fraud, wilful defaulter, non cooperative) as on 31.03.2023.
- All fresh NPAs identified from 01/04/2023
- All staff/retired staff loans/ related NPA accounts
- BOT/NRR accounts Fresh NPAs of 2023-24 which can be considered by Branch Managers of Scale IV branches and above and at Zonal Office level. Branch Managers of Scale IV & above branches, ZLSCC, ZLCC, FGM(CAC) are empowered to consider OTS in these cases from the subsequent quarter only since provisions are made as per IRAC Norms once in a quarter only.

OTS to be considered at Branches and Zonal Offices:

- Compromise Settlement can be considered by sanctioning authorities at branches and Zonal Offices as per Discretionary Powers in respect of all NPAs.
- Fresh NPAs of 2023-24 which can be considered by Branch Managers of Scale IV branches and above and at Zonal Office level. It is clarified that Branch Managers of Scale IV branches and above, ZLSCC and ZLCC are empowered to consider OTS in these cases from the next quarter only.
- In respect of staff related / retired staff related accounts availed, with the permission of Competent Authority wherever applicable, general Policy guidelines will apply and OTS proposal may be considered by appropriate authority (The appropriate authority is OTS sanctioning authority as applicable to general public).

OTS to be considered only at Corporate Office:- OTS in respect of the following accounts can be considered only by Corporate Office level:

- One Time Settlement in Staff/Retired staff loans either direct or indirect can be considered by a) COLCC (ED) subject to the discretionary powers specified in the Policy subject to the condition that no fraud is involved and where Real Balance is upto Rs.25 lakhs.
- CAC subject to the discretionary powers specified in the Policy subject to the condition that no fraud is involved and where Real Balance is above Rs.25 lakhs and upto Rs.50 lakhs.
- Accounts not covered under above to be considered by MCB only.
- Cases involving Frauds / Malfeasance / Wilful default / Non co-operative/ CBI / PIL: By MCB irrespective of sacrifice amount.
- Government Guaranteed Accounts: By MCB.

An account will be treated as fraud only after CO: FRMC classifies the same as such and report to RBI Similarly a borrower will be treated as willful defaulter/non co operative borrower, only after the Competent Authority approves such classification.

OTS in respect of Self-Liquidating Securities:-No OTS can be considered in the cases which are backed by self liquidating securities like FDRs, Jewels, NSC/KVP/IVPs, LIC Policies etc. Surplus, if any left after adjusting the concerned loan accounts, should be appropriated towards other NPA accounts, if any, of the same party. If there are shortfall after adjustment of the proceeds as above, in such of those cases, OTS can be considered in the accounts treating the account as unsecured for the balance amount. If securities charged in these accounts turn out be fake or fraud is involved OTS in such cases should be taken up for consideration by COLCC(ED)

OTS in respect of Lok Adalat settled cases:- OTS can also be considered in respect of Lok Adalat settled accounts / OTS already sanctioned accounts, where the settled amount has not been fully paid.

OTS in respect of NPA accounts in Pooled Assets Category:- The Provisions of Recovery Policy is also applicable to the NPA accounts in Pooled Assets category and OTS in respect of such accounts can be considered under the applicable settlement formulae.

Coverage of fresh NPAs under OTS Policy and Authorisation to ZLCC:-OTS policy provisions are permitted to be applied only in respect of NPAs outstanding as at the end of previous financial year i.e. (31st March 2023). However, considering the number of small loan fresh NPAs and Bank resorting to system based identification of NPAs, once an account is identified as NPA, OTS policy provisions can be applied. Hence, OTS proposals in fresh NPA accounts can be considered by:

- Officials in the rank of Scale IV and above heading a branch of a lower scale
- Officials in lower scale heading Scale IV branches and above.
- ZLCC
- FGMCAC
- Sanctioning Authorities at Corporate Office

OTS in respect of accounts where no provision is held should not be considered. Official exercising the above powers should not use the discretion in respect of loans sanctioned by him self/ her self earlier and such accounts will have to be referred to the next higher authority.

Sacrifice should be calculated as Notional Dues – OTS Amount.

SAM branches are having the following divisions

Name of the Branch	Accounts to be handled
SAM- Large	Book Balance of Rs.1.00 crore and above
SAM – Small	Book Balance of Rs.0.50 crore & above

Terms of Payment: - Normally, efforts should be made to recover the amount agreed within a maximum period of 90 days from the date of communication of sanction. No interest is to be charged for the above period of 90 days. Where, for reasons satisfactory to the bank, the amount has to be paid in installments over a period of time it should not exceed 12 months payable in monthly / quarterly/half yearly/ installments. The sanctioning authority may decide on this depending upon the merits of each case together with interest at One Year MCLR as on the last date of previous financial year (31st March 2023) + 3% (Simple) from the date of communication of OTS sanction by the Branch to the borrower up to the date of final payment on diminishing balance of OTS amount. However, the date of acceptance cannot be more than one month. OTS cancelled cases or expired OTS (where repayment period is already lapsed) may also be revived through revival of OTS/extension of repayment mode by 6/12 months from the expiry date of original OTS with delayed period interest [One Year MCLR as on the last date of previous financial year + 4% (Simple)].

Account under Willful Default:- As per RBI guidelines, stringent measures are required to be initiated against the Willful Defaulters. However the issue of compromise settlement in such cases of willful defaults / frauds was examined by RBI and RBI has advised Banks through Indian Banks Association that compromise settlement with willful defaulters / fraudulent borrowers can be entered into without prejudice to the criminal case against the borrower. Such cases of compromise settlement should be approved by MCB / Board of the Bank as per the guidelines. Therefore OTS to willful defaulters / fraudulent borrowers should be referred to Corporate Office to be considered at the level of MCB. Reference Recoverable Amount should be calculated on the same lines as in the case of other accounts as detailed above, in the case of willful defaulters also.

Non co-operative Borrowers: In respect of borrowers classified as non co-operative borrowers as per the extant guidelines of RBI, OTS sanctioning authority will be COLCC-GM & above.

Fraudulent borrowers: Such of those cases which are reported as frauds to RBI through CO: Inspection Department should only be classified under the appropriate category and full provision made. OTS can be considered in respect of NPAs classified as fraud. This is with a view to avoid blocking of Bank s funds in such accounts, while action under the laws of the land can be continued. The sanctioning authority in such cases will be MCB

Resolution of NPA Accounts involving Criminal Cases: OTS in PIL/CBI Cases: Only in respect of NPA accounts pertaining to PIL/CBI investigation cases, can be considered by COLCC GM & above. Resolution of NPAs pertaining to other criminal / ordinary police cases which are not reported to RBI by CO: FRMC are to be dealt with at the appropriate level in line with the powers delegated for OTS/Sacrifice. OTS in cases classified as fraud where criminal action initiated either through Police or CBI or other Agencies: In such accounts the sanctioning authority for compromise proposals is COLCC- GM & above. However, recovery either through normal channel or through negotiated. In the absence of 100% cash margin, securities charged / third party guarantees for the non-fund based dues should be released only after adjustment / reversal of the NFB liabilities. If the guarantee / LC were originally issued as unsecured one, then 100% cash margin should be insisted upon.

Sale of movable assets under the hypothecation agreement: - (outside SARFAESI Act) the procedure for sale by secured movable assets under Hypothecation Agreement could be by obtaining quotations from parties or inviting tenders from public or holding auction/e-auction. The Borrower may be given 15 days prior Sale notice. If the sale is by public auction or by inviting tenders from public, then the sale Notice has to be published in a leading newspaper having sufficient circulation in that locality giving out details about the said account The procedure to be followed for sale under the hypothecation agreement is as follows:-

- Valuation of the asset to be done on realistic basis. Reserve Price is to be fixed by the Zonal Manager.
- After taking possession, service of sale notice to the Party(s) in the prescribed format for effecting sale.
- Calling for quotes from parties or holding auction mode and highest bidder can be treated as the successful bidder.
- Terms of Sale should be entered into with the successful bidder in an agreement to sell with specific terms mentioning sale price & manner of payment of sale consideration. If the Zonal Office thinks that the sale price is relatively high then the Zonal Office can take a considered decision to facilitate installment payment but if the sale price is not too high then the sale price has to be remitted in one shot.
- Once the entire sale consideration is received then sale deed has to be executed in the name of the purchaser and transfer of registration or other compliances wherever required has to be done in Borrower favour as stipulated by the statutory authorities.
- The sale deed need not be registered as it does not pertain to immovable property

Willful Default: - It would be deemed to have occurred if any of the following events are noted:

- The unit has defaulted in meeting its payment / repayment obligations to the lender even when it has the capacity to honor the said obligations.
- The unit has defaulted in meeting its payment / repayment obligations to the lender and has not utilized the finance from the lender for the specific purposes for which finance was availed of but has diverted the funds for other purposes.
    - utilization of short-term working capital funds for long-term purposes not in conformity with the terms of sanction;
    - deploying borrowed funds for purposes / activities or creation of assets other than those for which the loan was sanctioned; transferring borrowed funds to the subsidiaries / Group companies or other corporate by whatever modalities;
    - Routing of funds through any bank other than the lender bank or members of consortium without prior permission of the lender;
    - Investment in other companies by way of acquiring equities / debt instruments without approval of lenders; o shortfall in deployment of funds vis-à-vis the amounts disbursed / drawn and the difference not being accounted for.
- The unit has defaulted in meeting its payment / repayment obligations to the lender and has siphoned off the funds so that the funds have not been utilized for

the specific purpose for which finance was availed of, nor are the funds available with the unit in the form of other assets.

Siphoning of funds: - funds borrowed from banks / FIs are utilized for another purpose other than lending Purpose is called siphoning of funds

- The unit has defaulted in meeting its payment / repayment obligations to the lender and has also disposed off or removed the movable fixed assets or immovable property given for the purpose of securing a term loan without the knowledge of the bank / lender.

NOTE: The identification of the willful default should be made keeping in view the track record of the borrowers and should not be decided on the basis of isolated transactions / incidents. The default to be categorized as willful must be intentional, deliberate and calculated.

Illustrative List of Proof / Evidence / Supporting Documents for establishing the occurrence of Willful Default:

- Forensic Audit Report
- Balance Sheet / Financial Reports to identify diversion of funds
- Proof of sale / disposal of immovable assets without Banks consent.
- Quarterly progress report in case of high value Project / Corporate loan.
- Periodic Stock & Book Debts Audit Report.
- Statement of Accounts of our Bank and Other Banks.
- Though Loan amount disbursed / availed to that extent Plant & Machinery not procured, Stocks / Book debts not available, Unit not established, Unit closed.
- Regular inspection of borrower assets charged as security (Unit Visit Report)
- Internal investigation / Inspection report, SNAP Audit, RBIA Audit etc
- Staff Accountability Study Report, FRMC report, FIR Copy, if any
- Other evidences as applicable.

Mechanism of Identification of Willful default:- The evidence of willful default by the borrowing company and its promoter / whole time Director at the relevant time should be examined by a Committee (Willful Defaulter Screening Committee) headed by Executive Director and consisting of General Manager (Corporate Credit) and General Manager (R and L) . Convener will be DGM (Recovery). After the initial scrutiny by this Committee is over and they hold the prima facie view that there is scope for wilful default, a show cause notice shall be issued to the concerned Borrower / Promoter / Whole time Director, call for their submissions, consider the same and thereafter an order may be issued recording the fact of wilful default and reasons for the same. This Committee should give an opportunity of personal hearing, if it deems necessary. This discretion of the Committee to grant or deny personal hearing should be judiciously exercised, recording reasons in writing.

After considering the submission and/or personal hearing, an order recording the fact of wilful default and reasons for the same will have to be made, in instances fulfilling the criteria.

The order of this Committee should be placed for confirmation by another Committee (Wilful Defaulter Review Committee) headed by MD & CEO and consisting in addition, two independent Directors of the Bank.

The order of the Screening Committee shall become final, only after it is confirmed by this Review Committee. Thereafter the names of the company, Promoter Directors, Whole Time Directors, and Guarantors (if applicable) would be reported to the Credit Information Companies

- Experian Credit Information Company of India Pvt Ltd
- Equifax Credit Information Services Private Ltd
- CRIF High Mark Credit Information Services Private Ltd and
- Credit Information Bureau (India) Ltd (CIBIL)

Forensic Audit: Forensic Audit is an examination and evaluation of a firm's or individual's financial information for using as an evidence in a court. A forensic audit can be conducted in order to prosecute a party for fraud, embezzlement or other financial claims. Forensic Auditing is a specialization within the field of auditing. Therefore, Forensic Auditing can be defined as the application of auditing skills to situations that have legal consequences. Forensic auditors often provide expert testimony during trial proceedings in the courts. Forensic auditing also refers to investigation of a fraud or presumptive fraud with a view to gathering evidence that could be presented in the court of law. Most large audit and accounting firms have a forensic department. Forensic Auditing can be used either by a corporate management or by statutory or other auditors to carry out general reviews of activities to highlight risks arising either out of fraud or from any other source with the purpose of initiating focused reviews of particular areas, targeting specific threats to the organization. The objective of the forensic audit is to find whether or not a fraud has taken place in the financial affairs of an organization. It involves examination of voluminous records and witnesses as permitted by law. Proper documentation is vital in substantiating the findings.The outcome shall focus on the following in case of frauds:

- Proving the loss and the quantum of loss
- Proving the responsibility for the loss
- Proving the method / motive

- Establishing guilt of person / persons
- Identifying other beneficiaries

Forensic audit should compulsorily be conducted in respect of NPA accounts with Book Balance of Rs.50.00 crores and above and further action is to be initiated immediately wherever irregularities are observed. In respect of NPA accounts with Book Balance less than Rs.50.00 crores, need for forensic audit has to be examined by a Committee of GMs consisting of GM (R&L), GM (Credit) and GM (I/C), Convener is GM (R&L) and forensic audit is to be conducted on case to case basis, particularly in accounts wherein realizable value of securities is less than 50% of the loan amount.

Committees for recovery

Settlement Advisory Committee:- A committee named "Settlement Advisory Committee" (SAC) is set up at Corporate Office for considering all the proposals for Compromise, Release of security, Sale of Assets to ARCs / Banks etc., that fall under the discretionary powers of COLCC (GM)/COLCC(ED) / CAC / MCB. The proposals falling under the power of above sanctioning authorities are considered / recommended by this committee. However, full write off proposals where there is no recovery will be placed directly to the concerned sanctioning authority.

Settlement Advisory Committee (SAC) meeting through Circulation: Generally SAC meetings are convened at monthly intervals. However, in instances where proposals are needed to be cleared in the eve of impending recovery, Board has approved the proposal of holding / conducting SAC meeting through circulation with a view to quicken the process of Recovery in exceptional cases. On approval, the proposal should be placed to the Sanctioning Authority as in other cases.

Composition of the Committee is as under:

- Retired High Court Judge - Chairman
- Retired GM of a Public Sector Bank - Member
- General Manager /DH (P & D) - Member
- General Manager /DH (RBD/FI) –
- Member Convener: General Manager (R & L)/ DGM (R&L) in absence of GM (R&L)
- Minimum Quorum: Three. Chairman’s presence is must.

Assets Sales Committee

Assets Sales Committee (ASC) has been constituted with General Managers at Corporate Office to consider and recommend sale of assets viz. borrowal accounts which have been classified as NPAs to Securitization Companies / Asset Reconstruction Companies / Other FIs and Banks either under assignment or otherwise.

Asset Sales Committee (ASC) will comprise the following members:

- General Manager (R & L)
- General Manager (CR)
- General Manager (P & D)
- General Manager (RBD/FI)
- Quorum: Three Conveners: DGM / AGM (R &L) Senior Most GM will be the Chairman

Staff Accountability Aspect :- Sale of Accounts to ARCs can be considered in accounts where staff lapses have been identified and also where Staff Accountability exercise / staff action is yet to be completed / concluded. However, the staff accountability study should be continued in respect of the NPAs transferred to ARCs in which the exercise is not concluded.

Appropriation of recoveries in NPA A/Cs:-

Uniform Accounting policy for appropriation of amount recovered: -In the absence of a clear agreement between the Bank and the borrower for the purpose of appropriation of recoveries in NPAs (i.e. towards principal or interest due), the Bank will adopt a uniform accounting Policy and exercise the right of appropriation of recoveries in a uniform and consistent manner as follows:

Any Recovery should be first appropriated to Book Balance (Principal) and then to Unpaid Legal Expenses (MLE), Unpaid Other Expenses (MOX) and thereafter to Unpaid Interest (MOI).

The above uniform accounting procedure should be adopted for all modes of recovery, including normal mode, Compromise, SARFAESI, and both for suit-filed and non-suit filed accounts. In respect of an account classified as NPA with retrospective effect, appropriation of recovery to principal to be made from the date of classification as NPA and not from the date of NPA When

- recovery proceeds to be appropriated are in excess of the book balance and
- Further recovery is expected in such NPA A/c, (out of further recovery proceedings), appropriation may be done by retaining a minimum Book Balance of Rs 1000/- in the NPA A/c. This will facilitate the branch to keep the account

alive (instead of keeping the a/c with Zero balance) and pursue with further proceedings towards recovery of remaining dues under MLE/MOX/MOI. The minimum book balance should also be recovered at the time of closure of the account. In case of sale of properties, unless the full sale amount is realized, the part payment should not normally be appropriated to loan account, to ward off difficulties in case the sale failed. In the case of restructured accounts where as per sanction terms, interest is to be serviced immediately and the principal repayment to start at a later date, recovery of interest made in such accounts should be taken to income account and not to be treated as principal repayment.

Policy for SARFAESI Sale through Private treaty:- Under SARFAESI Act and Rules framed there under, several amendments have been brought forth. SARFAESI Sale through private treaty mode as such, was recognized mode of sale under SARFAESI Act. Private Treaty is for all practical purposes a Resale, having exhausted public auction mode at least twice. There is an advantage in resorting to Private Treaty and thereby ensuring the success of the sale as it brings down the chances of sabotage by borrower, nullifies chances of Syndicate etc.

The procedural modalities of private treaty mode are:

- The proposal for private treaty mode with the recommendation of Branch/ SAM Small Branch and Zonal Manager should be sent to FGMO and FGM (CAC) is empowered for according the approval for the property having reserve price up to Rs.1.00 Crs. Reserve price above Rs.1.00 Cr should be referred to Corporate Office for approval. SAM Large Branches irrespective of the amount should submit the proposal to Corporate Office. At Corporate Office COLCC (GM) is empowered for according the approval.
- The pricing, as laid down in the Act and Rules, is as agreed between the Bank and Probable bidder. However a Reserve Price has to be fixed as per extant norms of resale i.e. 60% of Market value or 80% of Distress Sale value- based on the latest valuation, whichever is higher.
- To ensure successful sale, meticulous filing of CMM/DM applications should be adopted to take physical possession and also to engage Recovery agents to do the base work and scout for bidders.
- As per amended rules of SARFAESI Act, for resale 15 days notice will suffice.
- The details of Reserve Price, date of sale etc., shall be enumerated in the resale notice also.

- A sale notice for private treaty may be issued to borrower/guarantor/mortgagor, intimating that the bank is going to adopt private treaty mode of sale. (15 days prior notice only and not 30 days.) The format of the notice for Private Treaty is Annexure A of this chapter. This notice is not required to be published. Only if the borrower / guarantor/mortgagor are absconding / not traceable, it has to be published.
- At the time of submitting offer for private treaty, 10% of the sale price may be taken from the proposed purchaser.
- On the proposed date of sale, if Sale cannot be concluded by receiving the balance consideration and execution of a Sale certificate, then Agreement of Sale may be executed, by receiving another 25% of sale price. The agreement of Sale shall enumerate the other terms viz, the payment so far received, when the balance shall be paid, the manner and date before which payment has to be received etc. The format of the Agreement of Sale is Annexure B of this chapter.
- Once the sale price is paid in full and Sale certificate as per statutory format shall be issued which shall be stamped and registered as per local laws, cost of which shall be borne by the purchaser. (The sale proceeds have to be appropriated towards the outstanding dues).
- In instances, where there are more than one offer received in private treaty mode of sale, on the proposed date of sale, opportunity would be given among the offerers to make an inter-se increase in the offer. Whoever makes the highest offer will be declared as the successful bidder and sale would be concluded with such highest offerer.
- The highest offer will be declared as the successful bidder and sale would be concluded with such highest offerer.

E filing of cases/petitions by the Government:-

The Secretary, Department of Legal Affairs (DLA), the Department of Financial Services (DFS), Ministry of Finance, Government of India has directed all the PSUs to strict compliance of mandatory e-filing of cases / petitions with effect from 01.01.2022.

Guidelines by RBI regarding SMA/NPA Accounts

- The exact due dates for repayment of a loan, frequency of repayment, breakup between principal and interest, examples of SMA/NPA classification dates, etc. shall be clearly specified in the loan agreement and the borrower shall be apprised of the same at the time of loan sanction and also at the time of subsequent changes, if any, to the sanction terms/loan agreement till full repayment of the loan.

- The borrower accounts shall be flagged as overdue by the lending institutions as part of their day-end processes for the due date, irrespective of the time of running such processes.
- The instructions on SMA classification of borrower accounts are applicable to all loans, including retail loans, irrespective of size of exposure of the lending institution.

Bullet Points of Recovery Policy 2023-24

Before considering OTS, at least one SARFAESI auction of eligible mortgaged properties should be completed. However, OTS may be accepted without conducting SARFAESI auction subject to other guidelines, if proposed OTS amount is higher of the following:

- Present RSV of charged securities, primary and collateral (in case of more than one EVR, highest RSV should be considered).
- Present Book balance of the NPA accounts

Decision on such OTS proposals will be taken by next higher authority (e.g. if waiver amount is falling within ZLCC, it will be considered by FGMCAC). However, COLCC(ED) & above may consider such proposals as per delegated authority of waiver.

2) Settlement formula for Housing Loan NPA with Real Balance above Rs. 10 Lac & upto Rs. 1.00 Crore related to incomplete/stuck housing projects

Particulars	Doubtful2	Doubtful-3	Loss
NPV more than or equal to ND	ND	ND	ND
NPV less than ND but more than or equal to RB	RB	80% of RB	80% of RB
NPV Less than RB	40% of RB	30% of RB	30% of RB

The above calculation/formula gives the RRA for such cases. Final OTS amount will be RRA or NPV, whichever is higher. On account of difficulty involved in enforcing securities, number of years to be applied for arriving NPV can be 5 years (maximum). However branches may take lesser number of years based on completion stage of the housing project.

For other categories namely NPAs having real balance less than Rs. 10 Lac or above Rs. 1.00 Cr, the regular RRA framework to apply

3) Discretionary powers: - Committee of COLCC-CGM will be constituted upon implementation of CGM post. Committee of COLCC-CGM will be headed by CGM with

GM (Recovery), GM (CMC) & GM (Corp/Mid Corp Credit) as member. Minimum quorum will be three. Convenor: DGM (Rec)

4) Repayment terms of Compromise Amount

Compromise amount shall be negotiated for bullet payment i.e., within 30 days of communicating the sanction. Branches should ensure to recover the balance amount within a period of 90 days of communication of sanction. No interest is to be charged for the above said period of 90 days. In exceptional cases, where the cash flows are not adequate, the compromise amount may be allowed to be paid in installments upto 12 months with delayed period interest [One Year MCLR as on the last date of previous financial year + 3% (Simple)].

OTS cancelled cases or expired OTS (where repayment period is already lapsed) may also be revived through revival of OTS/extension of repayment mode by 6/12 months from the expiry date of original OTS with delayed period interest [One Year MCLR as on the last date of previous financial year + 4% (Simple)]

In exceptional cases, an enabling provision is available for reduction in delayed period interest rate only at Corporate Office level. OTS amount paid beyond three months from the date of approval to be treated as restructuring as per RBI circular dated 07.06.2019. In the instance of any OTS proposal being received after 6 months/12 months from the expiry date of original OTS, only FRESH OTS proposal may be considered by the competent authority (as per delegated powers of waiver/write-off).

Extension of time for payment of OTS

Original OTS approved by	Authority for approving extension	Maximum extension period from the expiry date of original OTS
BM/ZLSCC/Z LCC	ZLCC	06 month
FGMCAC	FGMCAC	06 month
CO (COLCCGM & above)	COLCCGM/COLCCCGM	06 month
	COLCC-ED & above	12 month

There will not be any waiver on repayment of delayed period interest on OTS amount. However, COLCC (GM) and above may reduce delayed period interest from 1YMCLR+4% as mentioned below

Authority	Delayed period interest
COLCC(GM)	1Year MCLR (simple) as on last date of previous financial year
COLCC(ED)	Below 1 year MCLR and upto Overnight MCLR (simple) as on last date of previous financial year

5) OTS to be considered only at Corporate Office:

- Cases involving Frauds / Malfeasance / Willful default: can be considered by Management Committee of Board (MCB)
- Non co-operative/ CBI / PIL: can be considered by COLCC-GM & above
- In case of change in RBI guidelines for considering OTS related to Fraud/Malfeasance/Willful defaulter NPA accounts, the same will be placed before CRMC for approval and implementation.
- OTS in respect of Self-Liquidating Securities:-NA (Clause Deleted)
- (OTS in Fraud accounts to be considered by MCB)

6) OTS in respect of individual NPA accounts under Pooled assets category: -OTS proposal received through concerned NBFC (originator) in respect of individual NPA accounts under Pooled assets/ Co-Lending/Credit Card category:- Even for Pooled Assets/Co-Lending/Credit Card NPA accounts, our normal OTS scheme/policy will apply as it is. Such OTS may be considered by Branch Head (Pooled Asset branch/Branches handing Co Lending/Credit Card accounts) and above as per delegated authority for OTS in NPA accounts.

For special scheme of the originator to settle OTS with individual borrowers of Pooled Asset/Co Lending, the same will be approved by Credit Risk Management Committee (CRMC).

7) Exempted Categories: - The following category of NPA accounts will continue be handled by the respective parent branches only and should not be transferred to SAM branches.

Fresh NPA accounts for a period of 1 year

Modified operational guidelines will be issued by the department covering the ambit of SAM Small branch, transfer of NPA accounts to these branches and other such aspects.

8) Provisioning pertaining to advances: - The regulatory norms for provisioning represent the minimum requirement. However, Bank may voluntarily make specific provisions for advances based on availability/ value of security and its reliability at rates which are higher than the rates prescribed under existing regulations, to provide for estimated actual loss in collectible amount. Such additional provisions are not to be considered as floating provisions. The additional provisions for NPAs, like the minimum regulatory provision on NPAs, may be netted off from gross NPAs to arrive at the net NPAs

Any Recovery should be first appropriated to Book Balance (Principal) and then to Unpaid Legal Expenses (MLE), Unpaid Other Expenses (MOX), Unpaid Charges and thereafter to Unpaid Interest (MOI).

9) Legal and other measures of recovery

Generally, person quoting the highest bid in the tender process will be the successful bidder.

In case of bids received on 100% Cash as well as Cash:SR (15:85 or other) basis, NPV of bid received on Cash:SR basis will be arrived after discounting SR amount at 1YMCLR for a period of five years.

Bid having higher NPV will be generally successful bidder if two or more bids are received. In case of joint sale through consortium, Bank may fall in line with lead bank to identify successful bidder.

The decision for confirmation of successful bidder in conformity with proposal for sale will be taken by COLCC (GM).

RBI circular on Fair Practices Code for ARCs:-If and when the ARCs request the Bank's to give consent for Reserve Price fixed for the Securities at the time of sale under SARFAESI Act for the NPA accounts assigned to them, General Manager (Recovery) is empowered for approving the Reserve Price recommended by ARCs concerned in case of resale and if the proposed Reserve Price is having discount upto 10% from the last failed SARFAESI auction conducted by the Bank/ARC/DRT.

In other cases, COLCC (GM) is empowered to approve the Reserve Price irrespective of Value of Security or amount of Reserve Price for each auction of EM / Hypothecated Property (ies) of each account. In this connection, ARCs should certify in their proposal that all the provisions of SARFAESI Act / board approved policy of the ARC have been strictly adhered to

Approval of write-off of security receipt in Trust settled through OTS by ARC:-

Approval of write-off of security receipt in Trust settled through OTS by ARC: Whenever any ARC settle any account assigned by the Bank (on Cash:SR basis) through OTS, proposal of write-off involved in security receipt should be considered by COLCC (GM) & above as per delegated authority for write-Off involved in OTS of NPA accounts.

Committee	Write-Off (Security Receipt)
MCB	Full
CAC	15.00
COLCC(ED)	12.00
COLCC(CGM)	6.00
COLCC(GM)	3.00

Bank will make efforts to waive management fee for the year during which trust was closed through OTS by ARC. Factoring Trust Deed & Offer Document executed with ARC.

No Management fee to be paid for the specified year when OTS is done.

Fixation of Reserve Price

Anything below the threshold provided should be referred to Recovery Department, Corporate Office for fixation of the Reserve Price with acceptable reasons for recommending a lesser price, COLCC (GM) shall be the competent authority to fix reserve price in such case. While fixing Reserve Price, it should be ensured that the valuation report should be within 1 year in cases where there is a variation in the RV accepted at the time of last sanction/ renewal/ enhancement/ restructuring with the valuation obtained for the fixation of reserve price and such variation is more than 50%, reserve price may be fixed in consultation with SEC at FGMO. In such cases, SEC at FGMO will assess the present realizable value by obtaining visit cum valuation report from two officials so as to ascertain the correctness of the present realizable value assessed by the Valuer. If it is found that at the time of sanction, the valuation has been inflated, necessary notice has to be issued to the valuers to find out the justification for such valuation. If SEC considers that value given earlier during last renewal is unduly inflated, show cause notice for de-panelment should be issued but in no case fixation of reserve price will be kept held up for more than 30 days from the date of receipt of the proposal.

TDS on sale of immovable property: As per the section 194-IA of the Income Tax Act, 1961 any person being a transferee of any immovable property (other than the agricultural land) and being responsible for paying to the transferor a sum of Rs.50 lakhs or more by way of consideration is liable to deduct tax at source. This provision is applicable for SARFAESI Sale also and TDS is to be deducted by the auction purchaser only at the time of depositing the 75% of the bid amount. Authorised Officer has to ensure that, auction purchaser shall deposit the amount so deducted with Income Tax Department in the PAN Number of Mortgagor i.e owner of the Property and produce the original Payment Receipt. Such payment is to be made within 30 days.

GST on sale of movables: As per GST regulations, sale of movable attracts GST. For applicable rates of GST and its accounting procedure, SARFAESI screen has been introduced in CBS. In this regard branches may refer various Circulars issued by CO: Accounts.

If COLCC (GM)/ FGM (CAC) are of the view that Swiss Challenge Method (SCM) need to be conducted, then SCM can be ordered by the Committee on the recommendation of ZO/FGMO/ SAM Large Branch as the case may be.

At the time of submitting offer for private treaty, minimum of 10% of the sale price may be taken from the proposed purchaser

The constitution of FGM-SEC is as under: DGM (FGMO) – Chairman. In the absence of DGM, FGM will act as Chairman. AGM or CM (Recovery) at FGMO -Member CM (Premises) or CM (Inspection) at FGMO - Member Law Officer (or) SM or Manager (Rec) is the Convener of the SEC. Quorum: Three with Compulsory presence of Chairman

10) Policy on Empanelment & Engagement of Recovery Agents

For empanelment, Branch / Zonal Manager should interview and identify the Recovery agents, based on the parameters. ZLCC is empowered to approval of Recovery Agent. FGM (CAC) at FGMO is empowered to approval of Recovery Agent for SAM Branches as per their administrative and territorial jurisdiction

Allotment of accounts to Recovery Agent: SEC of SAM Large Branches, Zonal Offices for their branches and FGMO for SAM Small Branches are authorized to issue authority letter for each account to Recovery Agent.

Permission for initiating action against CD/ personal guarantor / corporate Guarantor: - COLCC (GM)

Engagement of IRP/RP and approval of their professional fees: - General Manager (Recovery) & above

Decisions to enforce/relinquish security interest to Liquidator: - The Competent Authority for relinquishment of security interest in favour of Liquidator - GM(R) Delegated Authority for taking decisions for enforcement / non-relinquishment of right of securities to the Liquidator shall be:

Branches	Delegate Authority
(a) SAM Large Branches headed by DGM / AGM	BM
(b) SAM Large Branches headed by CM	GM(R)
(c) SAM Small Branch / other branches within authority of FGMO	FGM

Forfeiture of right to enforce security in the name of personal guarantor during consideration of repayment plan of personal guarantor- GM(R) Delegated Authority for taking decision for non forfeiture of right to enforce securities in relation to personal insolvency shall be:

Branches	Delegate Authority
(a) SAM Large Branches headed by DGM / AGM	BM
(b) SAM Large Branches headed by CM	GM(R)
(c) SAM Small Branch / other branches within authority of FGMO	FGM

Authority for approval of Liquidation (including sole banking accounts):

(i) Where no resolution plans is received / no IBC compliant plan is placed before CoC for voting or there is no scope of resolution due to non-availability of assets of CD:

Branches	Delegate Authority
(a) SAM Large/ Branches headed by DGM/AGM	BM
(b) SAM Small Branches/ other Branches	FGM

(ii) Where resolution plan is placed for voting by COC: The Competent Authority to approve for voting on resolution plan enumerated in the policy

Authority for appointment of liquidator & fixation of their fees: GM(R)

Consideration of Resolution Plan under IBC In NCLT referred accounts Consideration of Resolution Plan under IBC (against borrower company): In NCLT referred accounts, delegated authority for approval of our bank's mandate for voting on resolution plan placed before Committee of Creditors (assent / dissent) shall be –

Accounts where Current Book Balance	Delegated Authority (irrespective of Credit Sanctioning Authority)
Up to Rs. 50.00 Crore	COLCC (GM)
Above Rs.50 Crore to Rs. 100.00 Crore	Committee headed by a Chief General Manager with GM(R), GM(CMC) & GM(Corporate Credit / Mid Corporate Credit) as members, with a quorum of 3
Above Rs. 100.00 Crore	COLCC (ED)
In urgent circumstances / exigencies, where COLCC(ED) / Committee of CGM / COLCC(GM), is not scheduled / convened before the last date of voting	Executive Director (Recovery) in cases falling under SL No. (3) above, and ratification note to be placed before COLCC(ED) Chief General Manager in cases falling under SL No. (2) Ratification note to be placed before said Committee General Manager (Recovery) in cases falling under SL No.(1) above, and ratification note to be placed before COLCC(GM)

Note:-

- For arriving current Book Balance (Fund based, non-Fund Based & Investments) in the account will be considered and not the sanctioned limit in the account, irrespective of Group Exposure.
- Decision of respective delegated committees would be apprised to the next higher level authority on quarterly basis.
- Decision of delegated authority shall be irrespective of write-off & waiver/sacrifice involved and/or irrespective of which our Bank is leader in account of consortium / MBA.
- The provision as aforesaid shall apply mutatis mutandis where Bank is having Corporate Guarantee of a Company in an account, which is undergoing CIRP
- Decision of Committee of Creditors regarding approval or rejection of resolution plan in accordance with Insolvency and Bankruptcy Code-2016 and thereafter its confirmation by Adjudicating Authority (NCLT) shall be binding on all

stakeholders including our Bank (irrespective of assent or dissent vote given on such resolution plan).

Points to be factored-in while consideration of resolution plans:

Each resolution plans submitted are different in nature and regulated to some extent under IBC2016 and regulations framed there under. A structured policy framework for taking decision on resolution plans will not be feasible. However, the broad decision criteria carrying weightage at the time of approval for voting (assent / dissent / abstain) on the resolution plan are given hereunder:

- Fulfillment of objectives of IBC primarily revival of the Company as going concern and promote entrepreneurship.
- Maximization of valuation of assets of Company.
- Adherence of compliance requirements of resolution plans under the IBC/Regulations and eligibility of the resolution applicant to submit a resolution plan.
- Comparison of amounts offered in resolution plans (including equity/NCD/SR/other instruments) vis a vis. liquidation value, NPV, upfront payment to claimants, feasibility & viability of the implementation of resolution plan.
- Our voting share in COC & its impact of approval / disapproval of resolution plan and our share being a dissenting creditor.
- Recourse available for recovery in the account from any other mode & also for recovery of remaining dues.

Removal of name of Company/Corporate Debtor reported to RBI/ other Authorities / credit information companies/ etc., pursuant to implementation of approved resolution plan or Sale of the Company/Business of the Company as a going concern by the Liquidator, under Insolvency and Bankruptcy Code, 2016:

Once a resolution plan is approved & implemented or Company is sold as a going concern, entire claim against such Company shall be extinguished & no proceeding shall be continued against the Company or against the property sold. Accordingly, after receipt of bank's share in resolution amount/sale price, Bank shall remove name of Company from the list of Willful Defaulter / Fraud / RBI / CIC/ any other authority. The Branches shall take necessary action for removal of name of CD from such list/ report after taking up the matter with CO: FRMC/ CO (R&L), CO (CMC)/any other department at CO, as may be applicable through ZO/FGMO. At the same time, reporting of names of personal guarantors/whole time directors /corporate guarantors, who are declared Willful Defaulter / Fraud Classification / Red Flagged etc., may continue and further action may also be continued.

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