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SANCTION LETTER

Ref No: Br/Amt/ADV/2019-20/230

Date: 11.02.2020

Dr. Panjabrao Alias Bhausaheb Deshmukh Memorial Medical College (PDMMC)
Public Trust-"Shri Shivaji Education Society, Shivaji Nagar, Amravati.

Dear Sir,

Account: Dr Panjabrao Alias Bhausaheb Deshmukh Memorial Medical College
(Promoted & Managed by: Shri Shivaji Education Society)

Branch: AmravatiSubject: Review of Account and Sanction of Fresh TL

This has reference to your Application dated 08/03/2019. In this connection, we have to inform that CGMLCC in its meeting held on 11.02.2020 has accorded approval for the following vide their letter no. CGMO/ADV/ZO-NGPR/F-PDMC/2019-20/ 3858 dated 11.02.2020.

A. Renewal of following facilities at existing limit / rundown balance

- Renewal of BG at the existing limit of Rs. 235 lacs (Reduced from Rs 935 lacs during last sanction dated 25.03.2019) at 25% cash margin.

B. Enhancement / Fresh Sanction / Reduction of following facilities

- Sanction of fresh Term Loan of Rs.750.00 lacs for purchase of various medical equipments and machineries at a total project cost of Rs. 1048.46 lacs with a door to door tenor of 84 months.

C. Approval for charging following ROI/Service Charges

- Concessional ROI at 1Y MCLR+2.10% p.a (Effective: 10.40% p.a) as against RBP of 1Y MCLR+2.35% p.a. (Effective: 10.65% p.a)
- Continuation of concession in service charges on BG commission by 25%.

Other terms of sanction are as per the following:

ANNEXURE-A: Facility-wise terms of sanction**ANNEXURE-B: Security****ANNEXURE-C: Pre-disbursement conditions****ANNEXURE-D: Post disbursement conditions and operation in the account****ANNEXURE -E: Important Mandatory Covenants****ANNEXURE -F: Negative Covenants****ANNEXURE -G: Review/Renewal of Limits****ANNEXURE -H: Repayment and Recovery****ANNEXURE -I: Disclaimer****ANNEXURE -J: Grievance Redressal**

Yours sincerely,

(P.S. Kulhari)
 Chief Manager

ANNEXURE-A**Facility wise terms and conditions**

A	Facility	Fresh Term Loan
	Borrower	Dr. Panjabrao Alias Bhausaheb Deshmukh Memorial Medical College. Promoted & Managed by: Public Trust-"Shri Shivaji Education Society, Shivaji Nagar, Amravati". ("Society", "Shivaji Education Society").
1	Purpose of the loan	For purchase of various medical equipments and machineries costing approx Rs. 1048.46 Lacs at Dr. Panjabrao Alias Bhausaheb Deshmukh Memorial Medical College.
2	Limit	Rs. 750.00 Lacs
3	Margin & mode	Rs. 298.46 Lacs (28.48% of total project cost)
4	Term (Period)	84 Months
5	Moratorium Period	6 Months
6	ROI with Interest Reset Clause	1Y MCLR+2.10% p.a (Effective: 10.40% p.a) The Marginal Cost of Funds based Lending Rate (MCLR) prevailing on the date of first disbursement, whether partial or full, shall be applicable till the next reset date, irrespective of the changes in the benchmark during the interim till the review of the account. Future reset dates shall be determined accordingly. Prevailing MCLR on the reset date along with the earlier spread will be applicable to the accounts on the reset date in pending review cases, but not below the rate of interest charged earlier in the account.
7	Drawdown schedule	As per the requirement of borrower but the full disbursement to be availed within 6 months from the date of first disbursement.
8	Repayment Schedule	Principal will be repaid in 12 Half Yearly instalments of Rs. 57.70 lacs each & last Half year instalment of Rs. 57.60 Lacs after the moratorium period of 6 months from the date of first disbursement. Interest to be serviced as & when due including in moratorium period.

B	Facility	Bank Guarantee
1	Amount	Rs. 235.00 Lacs
2	Nature	Performance/Financial
3	Margin	25% Cash margin in the form of FDR
4	Period	12 Months
5	Commission on BG (Financial & Performance)	25% concession on card rate.

ANNEXURE B

Details of Security –

Particulars	Nature of charge	Date of Valuation	Value (in Lac)
PRIMARY			
Term Loan: Hypothecation of Instrument & Equipments proposed to be purchased out of our fresh TL.	Exclusive	Proposed Cost	1048.46
BG: Counter Indemnity of the society and college.			
TOTAL PRIMARY			1048.46
COLLATERAL			
For Existing Credit facilities: Registered Mortgage on all piece and parcel including all the buildings with all services and amenities on Plot No: 3/1, 3/2, 5, 7/2, 7/3 (all 5 plots admeasuring 93869.30 sq mtrs) Nz Sheet No: 32 (Old No: 348 & 348/1 in Book No: 4/A) at Kanta Nagar, Near Panchawati Chowk, Mouja- Amravati.	Exclusive	Pranjape Engineers (Report dated 28.09.18)	3107.71
For Additional credit facilities: 1. Supplemental Registered Mortgage on all piece and parcel including all the buildings with all services and amenities on Plot No: 3/2, 7/2, 7/3 (all 3 plots admeasuring 63308.40 sq mtrs) Nz Sheet No: 32 (Old No: 348 & 348/1 in Book No: 4/A) at Kanta Nagar, Near Panchawati Chowk, Mouja- Amravati.	Exclusive	Jeetendra Kumar Jha (Report dated 26.12.19)	2866.36
Note: Borrower/Society to Create the charge on Plot No.3/1 and 5 for the entire credit facilities by obtaining permission from the collector within 6 months.			

Name of the Guarantor	Date of CR	Net-Worth
Shri Harshvardhan Pratasingh Deshmukh (President of society)	04.02.2020	Rs 39.60 Lacs
Shri Sheshrao Shankarrao Khade (Secretary of society)	04.02.2020	Rs 30.50 Lacs

Service Charges: (Exclusive of Goods & Services Tax)	
Processing Fee/Upfront Fee	As per Banks circularised instructions.
Documentation Fee	
Mortgage Charges	
Inspection and Supervision charges	
Note: All other charges (CIBIL, CERSAI etc.) to be obtained as per latest Bank's Guideline.	
Risk Grading	AB-04 as per RAM Module based on ABS 2019
Sanctioning authority	CGMLCC
Classification	Social Infrastructure
Prepayment Charges for takeover only	As per Banks circularised instructions.

ANNEXURE - C
PRE DISBURSEMENT CONDITIONS

1. An acknowledgment as well as acceptance of sanction terms must be obtained from the appropriate authorities of borrower as well as Shri Shivaji Education Society & guarantors.
2. Sufficient cash margin is maintained as per sanction terms and outstanding above the BG limit should be covered by 100% cash margin.
3. A resolution of Shri Shivaji Education Society i.e. mother organization/trust of the college should be obtained that all the interest free loan provided in the past and if needed in future by the college, will not be recalled during the pendency of the loan.
4. All the statutory approvals should be in place for running the college.
5. A copy of permission letter from charity commissioner containing the specific details of loan amount, permission to create mortgaged/hypothecation on assets mentioned in the sanction letter should be obtained
6. The tendering process for purchase of machinery/Instruments should be as per the laid down guidelines of trust by following usual norms while ensuring transparency. Branch should obtain approved bidder's quote containing the details of equipment (viz Specifications, Make, Price etc) and ensure due diligence of the machine/equipment supplier. In case if the quoted price is higher than the estimated price (envisaged at the time of sanction), the college/society has to bear the cost and in case if the quoted price is lower than the estimated price (envisaged at the time of sanction), TL disbursement to be reduced accordingly.
7. The term loan should be released directly to the suppliers after recovering the proportionate margin.
8. The Society to submit Performa invoice/quotation/tax invoice/receipts along with proof of payment already made which has been considered as margin before release of disbursement of term loan.
9. Society should provide an undertaking to the effect that all the court cases against them are not detrimental to the bank interest and any type of financials obligation in pending litigation cases will be paid off by Society as per court judgment and banks repayment would not be affected.
10. Processing/ upfront fees to be realized as per sanction instruction.
11. Mortgaged /Documentation charges at normal rate in terms of circularized instruction will be realized before disbursement of the loan.
12. Arrears in payment of statutory liabilities and other dues to be cleared and an undertaking to be obtained from the Society.
13. The Society will undertake to meet the cost overrun, if any from their own sources.
14. An undertaking to be obtained from the Society that the term loan will be utilized for the purpose for which loan has been sanctioned and not for any other purpose.
15. Society should submit CA certificate for the end use of funds at the time of each disbursement and valuation of equipments purchased out of term loan should be done after the full disbursement of loan.
16. Latest permission for exemption in income tax under section 12A, to be obtained.
17. All the documentation and mortgage formalities are to be completed as per the banks guidelines.
18. CERSAI registration to be done for the mortgaged properties and hypothecated machineries.
19. Legal Audit of the account should be done from banks panel advocate.
20. Facility should be released only after compliance of all terms and condition, realization of processing fee, service charges etc.
21. Loan will be disbursed after Deva Approval
22. Second valuation will be obtained as per Bank's extant guidelines.

ANNEXURE – D

POST DISBURSEMENT CONDITIONS & OPERATIONS IN ACCOUNT

1. All the receipts of the society from the college including Tuition Fee, Hostel Fee, Hospital revenue and PGDMLT etc. to be routed through our Banka and same should be monitored closely to ensure timely payment of Interest and installment.
2. Wherever necessary, licenses/ permissions/approvals to be obtained from appropriate authorities by the party and copies of the same to be submitted to the bank which will be held on record after verifying from original.
3. In case of TERM LOAN, only the first tranche of the disbursement schedule should be fed in the CBS system, the second and onward tranches should be filled only after getting approval of second/ subsequent tranches by the Branch Manager/ specified authority in sanction letter.
4. The advance must be utilized for the purpose for which it has been sanctioned and end use of fund will be verified promptly.
5. The borrowers will submit the requisite paper/ audited accounts pertaining to the last financial year for next review at least two months before the next annual review of the account
6. No further investment will be made by the college in any subsidiary/ associates concerns by way of loans and advances or investment in shares without our prior permission in writing.
7. Any major change in the management of the Society or trustees will require prior permission from the Bank.
8. The above terms and conditions shall be subject to modification by the Bank as may be considered necessary at any point of time at the sole discretion of the bank.
9. The Bank may recover in part or in full or withdrawal/stop financial assistance, at any stage, without any notice or giving any reason for any such purpose whatsoever.
10. This sanction does not vest in any one of the right to claim any damage against the Bank for any reason whatsoever.
11. The immovable properties mortgaged to the Bank will be valued/revalued from time to time as per the extant guidelines of the bank..
12. Compliance of all extant guidelines like Credit Monitoring, Recovery Management, Lending Policy, guidelines stipulated in the scheme specific wherein the credit facilities have been sanctioned must be complied with.
13. Branch to insurance is obtained for the machineries proposed to be purchased and collateral securities with banks clause.

Credit Risk Rating System / Modules

14. The borrower account shall be mandatorily rated annually, or in shorter periods where required, as per Bank's Internal Model/ Score Card System. Borrowers will be required to submit papers / documents as and when sought by the Bank for the purpose.
15. Further Bank will conduct the internal rating exercise once in 06 months if the external rating of the borrower is downgraded to C or D and the borrower will be required to submit the papers / documents as required by the bank within 15 days from the external rating downgrade to C or D.

Credit Information Bureau and Credit Report

16. Bank will obtain CIBIL credit report (consumer as well as commercial) and/or other report from any other CIC Companies in regard to borrowers, promoter directors, partners, and guarantor's before taking credit decision including review / renewal of the credit facilities, at least on annual basis or even earlier, when required. The charges for such reports shall be borne by the borrower.
17. Wherever required, bank may also obtain Credit Report from approved external agencies like Dun & Brad Street Information Services (I) Pvt. Ltd or ECGC or other agencies. Such report will compulsorily be obtained in case of overseas parties.
18. The borrower / guarantors name and other loan details shall be submitted to CIBIL and / or other Credit Information Bureaus as & when circularized by Bank.

Credit Reports from Bankers & Exchange of Information

20. Bank will obtain credit opinion on Borrower / Director / Partner/ Guarantor / associate concerns from their existing financing Banks, from time to time. Bank may also seek statement of Bank accounts, with other banks.

Legal Entity Identifier (LEI) for large corporate borrowers

21. In Terms of RBI guidelines, it is mandatory for corporate borrowers having aggregate fund-based and non-fund based exposure of Rs 5 Cr and above from bank to obtain Legal Entity Identifier (LEI) registration

BG facilities

22. Borrower need to infuse Margin for Bank Guarantee upfront or as per the relaxation permitted by competent authority.
23. Borrower will provide a duly certified quarterly report on status of the BGs for verification with the transactions in the Current / CC / OD Account.

Credit Audit

24. All the Borrowal (Funded+ Non Funded) Accounts with aggregate exposure of Rs 5 Cr & above will be subjected to annual Credit Audit by the Bank. The borrower will be liable to provide any information, data / information, when required. For fresh sanction, the credit audit may be done within 6 Months

Legal Audit & Periodical Legal Audit

25. The accounts where Credit Limits (funded or non-funded) are Rs 10 Lac & above, branch will get loan documents verified by the Law Officer / Bank's Approved panel advocate / Legal Retainer other than the one who has given NEC / LSR and obtain a Legal Audit Report, before disbursement and before subsequent enhancement.
26. Apart from Regular legal audit, Periodical Legal Audit of Loan accounts with credit exposure of Rs 1 Cr and above shall be taken up once in three years till liquidation of loan account. The PLA will include fresh legal search / NEC for the properties mortgaged as well as verification of the genuineness of title deeds. The cost has to be borne by the borrower.

Current Accounts

27. The borrowers should confine their dealings with our Bank.
28. Where ever borrowers are availing credit facilities from other banks, they will be required to give periodic declaration about the current accounts / other accounts maintained by them with and the credit facilities enjoyed from other banks.
29. In terms of RBI guidelines, borrowing entities cannot open current accounts with other banks, without obtaining a No objection certificate from the Financing banks. Borrower should close the current accounts maintained with other banks.

Due diligence as per RBI guidelines

30. Bank will have the right to conduct all due diligence exercise viz. KYC, eligibility criteria, antecedent of the borrower, exchange of information with different banks, visits to business place, unit, residence, collateral security, seeking reports on repaying capacity, net-worth reports, market information, validation of data from ROC etc.
31. Such due diligence will be done periodically through bank's stock auditors, Advocates, Valuers, besides visits by the Bank officials themselves. Borrower will be required to cooperate in this exercise.

CERSAI Search

32. Status of properties mortgaged is checked through reference to Central Registry (CERSAI) and Bank's charge over Mortgaged property/ies has been registered with CERSAI wherever applicable, periodically, charges to be borne by the borrower.

OTHER POST DISBURSEMENT CONDITIONS

33. Bank officials would be free to visit the unit / office / godowns at any time to verify the end use of funds and to monitor the progress from time to time. Borrowers would provide full access to the premises and also access to the books and records maintained at various branches / offices

34. The Bank will have the right to examine at all times the Society's books of accounts and to have the Society's project sites inspected from time to time, by officer(s) of the Bank and/or qualified auditors and/or technical experts and/ or management consultants of the Bank's choice. Cost of such inspection shall be borne by the Society.
35. The borrower must get their accounts audited annually and the audit should be completed within 3/4 months from the closing date of last financial year and submit annual audited accounts to the Bank immediately after audit.
36. In case of change in the card rate of charges / fees of the bank before the date of next review, effective rate of charges / fees will remain the same after adjustment with the modified rate till next review of the account.
37. Non compliance of any of the borrowing covenants will attract additional interest (as per extant banks norm) in addition to the usual rate of interest from time to time.

ANNEXURE - E
IMPORTANT MANDATORY COVENANTS

1. The borrower should maintain adequate books of accounts, as per applicable accounting practices and standards, which should correctly reflect its financial position and scale of operations and should not radically change its accounting system without notice to the Bank.
2. The borrower should submit to the Bank such financial statements as may be required by the Bank from time to time in addition to the set of such statements to be furnished by the borrower to the Bank as on the date of publication of the borrower's annual accounts.
3. The Bank will have the right to share credit information as deemed appropriate with Credit Information Companies (CICs) or any other institution as approved by RBI from time to time.
4. The borrower should not induct a person whose name appears in the willful defaulters list of RBI/ CICs. In case such a person is already on the Board of the borrowing Society, it would take expeditious and effective steps for removal of that person from its Board. Nominee directors are excluded for this purpose.
5. In the event of default in repayment to our Bank or if cross default has occurred, the Bank will have the right to appoint its nominee on the Board of Directors of the borrower to look after its interests.
6. In stressed situation or restructuring of debt, the regulatory guidelines provide for conversion of debt to equity. The Bank shall have the right to convert loan to equity or other capital in accordance with the regulatory guidelines.
7. Bank will have the right to examine at all times the borrower's books of accounts and to have the borrower's factories inspected, from time to time, by officer(s) of the Bank and/or qualified auditors and/or technical experts and or management consultants of the Bank's choice. Cost of such inspection shall be borne by the borrower.
8. After provision for tax and other statutory liabilities, unless expressly permitted otherwise, the Bank will have a first right on the profits of the borrower for repayment of amounts due to the Bank.
9. The borrower shall keep the Bank informed of the happening of any event likely to have a substantial effect on their profit or business, the borrower shall immediately inform the Bank with explanations and the remedial steps taken And / or proposed to be taken.
10. The borrower shall keep the Bank advised of any circumstance adversely affecting the financial position including any action taken legally or otherwise.
11. The borrower will utilize the funds for the purpose they have been lent. Any deviation will be dealt with as per RBI guidelines."

12. Each of the following events will attract penal interest/charges as applicable, at rates circulated from time to time, over and above the normal interest applicable in the account:

- For the period of overdue interest/instalment in respect of Term Loans and overdrawing above the drawing power/limit in Fund Based Working Capital accounts on account of interest/devolvement of letters of credit/bank guarantee, insufficient stocks and receivables etc.
- Non submission of Audited Balance Sheet within 8 months of closure of financial year.

ANNEXURE – F **NEGATIVE COVENANTS**

(The undemoted covenants will be subject to prior notice being given by the borrower and being agreed to by the Bank. If the Bank turns down the borrower's request but the latter still goes ahead, the Bank shall have the right to call up the facilities sanctioned).

The Borrower shall not without prior notice to the Bank –

1. Formulate any scheme of amalgamation or reconstruction.
2. Undertake any new project, implement any scheme of expansion or acquire fixed assets if such investment results into breach of financial covenants or diversion of working capital funds to financing of long-term assets.
3. Invest by way of share capital in or lend or advance funds to or place deposits with any other concern; normal trade credit or security deposits in the ordinary course of business or advances to employees can, however, be extended. Such investment should not result in breach of financial covenants relating to TOL / Adj. TNW and current ratio agreed upon at the time of sanction.
4. Enter into borrowing arrangement either secured or unsecured with any other bank, financial institution, and Society or otherwise or accept deposits which increase indebtedness beyond permitted limits, stipulated if any at the time of sanction.
5. Undertake any guarantee or letter of comfort in the nature of guarantee on behalf of any other Society.
6. Create any charge, lien or encumbrance over its undertaking or any part thereof in favor of any financial institution, bank, Society, firm or persons.
7. Sell, assign, mortgage or otherwise dispose of any assets charged to the Bank.
9. Enter into any contractual obligation of a long term nature or which, in the reasonable assessment of the Bank, is detrimental to lender's interest, viz. acquisitions beyond the capability of borrower as determined by the present scale of operations or tangible net worth of the borrower/net means of promoters etc., leveraged buyout etc.
10. Permit any transfer of the controlling interest or make any drastic change in the management set-up.
11. Repay amounts brought in by society/ promoters / directors / principal trustees and members and their friends and relatives by way of deposits / loans /advances. Further, the rate of interest, if any, payable on such deposits / loans / advances should be lower than the rate of interest charged by the Bank on its term loan and payment of such interest will be subject to regular repayment of installments to term loans granted / deferred payment guarantees executed by the Bank or other repayment obligations, if any, due from the borrower to the Bank.
12. The trustees shall not leave the Society or organization without explicit permission from the Bank.

ANNEXURE - G
REVIEW RENEWAL OF LIMITS

1. All credit facilities have to be reviewed / renewed annually or before on the discretion of the bank, on the basis of audited financial statements and other documents relating to Sales, tax returns, stock and book debts statements, external ratings, licenses / permissions, valuations, sales and profit projections for the next year etc. to be submitted by the borrower as per requirement of the Bank.
2. Audited financial statements will be required for review, in all cases with credit limits of Rs 25 Lac and above and tax audit report is also required where sales turnover is Rs 1Cr & above. Borrower shall submit complete review proposal along with all necessary documents at least two months before the due date of review.
3. In case, review proposal is submitted after 3 months from the date of book closure, provisional balance sheet pertaining to previous financial year must be provided, with an undertaking that there will not be adverse variation of more than 10% in Sales, Net Profit, Net Worth, NWC etc.
4. The bank would examine the conduct of the account, financial position of the borrower, the achievement of projected turnover/ profits, the future outlook, inspection irregularities, diversion of funds, adequacy of drawing power, stress in group accounts if any, market developments, stock price movements, EWS, if any, etc. and thereafter take a view on review of account, renewal / continuation of credit limits and / or enhancement / reduction, if need be.
5. If Borrower does not submit the required papers for review of the account within due date and defaults in timely submission of papers deliberately and thwarts bank's efforts by not providing necessary information sought, the bank may declare the borrower and its promoters / directors, partners, etc. as Non-Cooperative Borrower(s).
6. Review will not be done in the absence of Legal entity identifier number (LEI number), where it is to be obtained as per RBI guidelines.
7. Operations will not be allowed in accounts after due date of review, if the account is not timely reviewed. All discounts / concessions allowed in charges/fees will continue till the specified date of next review and such discounts/concessions will be discontinued if the review proposal is not received within stipulated period.

ANNEXURE - H
REPAYMENT AND RECOVERY

1. The Borrower is required to make repayment of the loan amount and the interest thereon, strictly as per the term of Sanction.
2. In case there is a default in repayment of principal or interest, the loan account, is classified as Special Mention Accounts (SMA) as per the following categories –

SMA Sub- categories	Basis for classification – Principal or interest payment or any other amount wholly or partly overdue between
SMA-0	1-30 days
SMA-1	31-60 days
SMA-2	61-90 days

„Default“ means non-payment of debt when whole or any part or instalment of the amount of debt has become due and payable and is not repaid by the debtor or the corporate debtor, as the case may be. For revolving facilities like cash credit, default would also mean, without prejudice to the above, the outstanding balance remaining continuously in excess of the sanctioned limit or drawing power, whichever is lower, for more than 30 days.

3. In terms of extant RBI guidelines, it is mandatory for banks to report accounts on RBI CRILC website on monthly basis in case of all accounts with aggregate exposure of Rs 5 Cr and above on weekly basis for accounts with "default" of even one day,

4. Further, the account may also be reported on RBI platforms viz. CRILC, Central fraud registry etc., in case account is classified as "Special Mention account"; "Non-corporate borrower"; "Willful Defaulter", "Red Flag Account"; "Fraud account" etc.

5. The classification of the account to Non-Performing asset (NPA) will be as per the IRAC norms of the Reserve Bank of India.

Recovery Measures

6. In the event of default, necessary legal action for recovery of dues by Bank against the borrower will be taken including suit filing with Court / DRT etc. The bank may take action under the SARFAESI Act, 2002 for recovery of its dues. The Bank may entrust the task of recovery to a recovery agent, if required.

7. In case of consortium financing / MBA, Bank would agree to equitable sharing of recoveries and other cash flows enabled through law suits, compromise settlement etc. to the extent of common securities.

8. The Bank shall have the right to securitize the secured assets and in the event of such securitization the Bank is not bound to send any individual information as to the said securitization to the borrower and/or guarantor(s).

9. Where any corporate debtor commits a default, a financial creditor, an operational creditor may initiate corporate insolvency resolution process under Insolvency and Bankruptcy code 2016

Non-cooperative Borrower

10. Bank may declare a Borrowing entity including its proprietor, partners, promoters, directors etc. as "Non Cooperative Borrowers", after due process, if they do not provide necessary information required by the bank to assess their financial health even after two reminders; or deny access to securities etc. as per terms of sanction or do not comply with other terms of loan agreements within stipulated period; or are hostile / indifferent or are in denial mode to negotiate with the bank on repayment issues; or play for time by giving false impression that some solution is on horizon; or resort to vexatious tactics such as litigation to thwart timely resolution of the interest of the lender/s.

Willful Defaulter

11. Willful default broadly covers -

- 1) Deliberate non-payment of dues despite capacity to repay.
- 2) Siphoning-off funds to the detriment of the defaulting unit
- 3) Assets financed either not purchased or subsequently misappropriated
- 4) Diversion of funds
- 5) Disposal / removal of securities without bank's knowledge;

12. The conditions for willful default will be -

- a) The unit has defaulted in meeting its payment / repayment obligations to the lender even when it has the capacity to honor the said obligations.
- b) 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.
- c) 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 purposes for which such funds were availed of, nor are the funds available with the unit in the form of other assets.

d) The unit has defaulted in meeting its payment / repayment obligations to the lender and has also disposed off or removed the moveable fixed assets or immoveable properties given for the purpose of securing a term loan without the knowledge of the Bank / lender.

13. Borrowers / Directors / Partners / Proprietors / Guarantors who is / are included in the Willful Defaulters list issued by RBI will be debarred from institutional finance for floating new ventures for a period of five years from the date of removal of their name from the list of willful defaulters as published / disseminated by RBI / CICs.

14. Bank may publish photographs of borrowers, including proprietors/ partners/ directors/ guarantors of borrower firms / companies who have been declared as willful defaulters
RFA / Fraud account declaration

15. In case the Borrowers / Guarantors defraud the bank or defraud any member bank in consortium / MBA finance, the account will be reported as a "Red Flag Account" or a "Fraud account" on RBI website. No restructuring or grant of additional facilities shall be made in the case of Red Flagged Accounts or fraud accounts.

ANNEXURE - I **DISCLAIMER**

1. This sanction does not vest in any one of the rights to claim any damage against the Bank for any reason whatsoever
2. The terms and conditions of this sanction are subject to modification by the Bank as may be considered necessary at any point of time at the sole discretion of the Bank.
3. The credit facilities sanctioned shall have to be availed of by the Society fully or partly within a maximum period of six months from the date of communication of sanction. Beyond the period of 06 months, upon specific request, sanctioning authority may permit extension after review of the position of securities, rate of interest and other concessionary facilities permitted at the time of sanction / renewal.
4. The Bank shall have right to recover in part or in full or withdraw/stop financial assistance, at any stage, without any notice or giving any reason at the discretion of the bank, if the Society fails to comply with the terms & conditions or guidelines / policy of the Bank.

ANNEXURE - J **GRIEVANCE REDRESSAL**

Bank has a well framed Customer Grievances Redressal Policy. If case of any complaint about any of the services of Allahabad Bank, the concerned Branch Manager may be contacted for a solution and if not satisfied the concerned Zonal Manager and / or Field General Manager, may be contacted.

The issues can also be lodged on-line at the Bank's website. Borrowers can also write to the Internal Ombudsman of the Bank in case an issue has remained unresolved. The details are published on the Bank's website www.allahabadbank.in.