

DECLARATION CUM TERMS AND CONDITIONS OF GOLD LOAN

The Pawner/Borrower agrees to abide by the following terms and conditions:

1. All particulars/information given in the application form are true and complete and no material information has been suppresses/withheld. I/we acknowledge that South Indian Bank Limited ("the bank") shall have no liability for any consequences arising out of any erroneous details provided by me/us. I /We authorize the Bank to carry out such credit checks and at such credit checks and at such time as it may deem necessary. The Bank may sanction this Loan at its sole discretion.
2. I / We am / are the owner / joint-owners and am / are in possession of certain Gold Coins /Gold Jewellery / ornaments ("Gold Security") over which I/ We hereby create a first and exclusive charge by way of pledge in favour of the Bank by depositing the same with the Bank. I/We agree that the Bank shall be entitled to conduct investigation in connection with the quality of Gold Security at my/our cost at any time without my/our presence.
3. Upon maturity, I/ We shall either repay the Loan along with Interest, and such other dues as are payable by me / us to the Bank ("Dues") or I / We may, at any time, request a renewal / enhancement/reduction of the Loan which the Bank may grant us at its sole and absolute discretion, subject to the continuation of the pledge over the Gold Security in favour of the Bank and provision of such other security and in such form as the Bank may require and such variations in the rate at interest as the Bank may prescribe as per its policies prevailing at the time of such renewal / enhancement.
4. At the time of renewal of the Loan whether during or after the expiry of the tenure at the Loan, I/We may request the Bank to grant the renewal to me/us on a higher/lower loan-to value ratio or any other terms, which the Bank may allow at its sale and absolute discretion, subject to payment of a such fee as the Bank may prescribe.
5. I/ We agree that the Loan may be prepaid, in whole or in part, by me / us with the prior written consent of the Bank, on such terms and conditions as it may deem fit, including without limitation, the payment of prepayment or part payment charges, as the case may be, as stipulated by the Bank. Without prejudice to any other rights that the Bank may have under law, in case of non-payment of any dues, I/ We shall be liable to pay additional interest / default interest at such rate as may be prescribed by the Bank on the entire Loan plus the interest due on that date.
6. The Gold Security and any other security furnished by me /us to the Bank will be released only upon payment in full of the said dues by me / us to the Bank. In case the value at Gold Security fails or is lower than the required margin of the Bank as applicable from time to time, without prejudice to the right to declare an Event of Default under Clause 9 and / or to right to sell the Gold Security and/or exercise any other right or remedies available with the Bank hereunder or under law, I/ We shall, within 7 (seven) days of a notice from the Bank in this regard, at the Bank's sole discretion, deposit with the Bank, such additional security, as may be required. The Pawner (s) acknowledges and agrees that no further notice would be required for the invocation of the Pledge and the notice that is provided pursuant to the provisions of the clause would be a reasonable notice for the invocation of the pledge and under the provisions of the Indian Contract Act, 1872.
7. I / We hereby represent(s) and warrant(s) that:
 - a) I / We declare that I / We am/are citizen(s) of India.
 - b) I / We confirm(s) that my / our title to the Gold Coins deposited / gold jewellery /ornaments deposited / to be deposited by me / us as security is not defective / challenged by any person in any manner nor is it spurious or of inferior quality as it has been acquired by me / us from genuine sources, is my/our bonafide property and no other person has any claim, lien or charge against it.
 - c) I / We shall utilize the Loan solely for the purpose stated in the application and will not be used for any speculative or anti-social purpose.
 - d) I / We shall perform and is / are bound by all the covenants /conditions set out herein, in the sanction letter and any further conditions as may be prescribed by the Bank.
8. The Bank may, without assigning any reason and upon written notice mailed or delivered to me / us cancel in full or in part the Loan and demand repayment thereof. Upon such notice the said dues shall become forthwith due and payable by me / us to the Bank.
9. The following events shall constitute events of default under this Agreement ("Events of Default"), upon the occurrence of which the said Dues shall become immediately due and payable by me / us to the Bank and further enable the Bank to enforce the Gold Security and any other security furnished hereunder and sell the same:
 - a) Failure on my / our part to perform any at its obligations hereunder or under the sanction letter or if any circumstance or event occurs which adversely affects my / our capacity to repay the Loan or any part thereof or perform any of my /our obligations.

- b) If any at the representations or statements or particulars made by me / us in its application, or herein are found to be false, misleading or incorrect.
 - c) If the Loan is not repaid on the date of maturity.
 - d) In the event of non-servicing of interest by me / us on the *respective* due date.
 - e) Upon detection of any systemic fraud in relation to the quality of the gold by the Bank.
 - f) If the value of the said Gold Security fails lower than the required margin at the Bank as applicable from time to time, due to change in market price (whether actual or reasonably anticipated) or any other reason or if there is any deterioration or impairment of any security or any part thereof, which causes the security in the judgment of the Bank to become unsatisfactory in character or value.
 - g) If it is discovered that there is any collusion between the assayer and me / us resulting in a fraudulent and erroneous valuation of the Gold Security or in case the Bank has a reasonable suspicion in this regard.
 - h) If any attachment, distress, execution or other process against me / us or any of the security is enforced or levied upon;
 - i) In the event of death, insolvency, failure in business, Commission of an act of bankruptcy of either of us Borrower's);
 - j) An attempt by me / us, without prior written consent of the Bank, to create any charge, lien, mortgage or any other encumbrance over the security.
 - k) The Borrower(s) hereby agree to execute further necessary loan documents including execution of loan/ pledge documents for pledging of Gold ornaments and jewelry described in the Form as security for the compliance/due fulfilment of the terms and conditions of the sanction / the repayment obligations by the borrower(s) as and when further called upon by the Lender to do so. In case the Borrower(s) fail to do so, the same will be treated as an event of default and consequences arising therefrom shall follow.
10. Upon the occurrence of an Event of Default, the Bank shall be entitled to sell the Gold Security in the open market, or dispose of the gold security in any manner it deems fit, after giving me /us a notice of 07 days. The Pawner(s) acknowledges and agrees that no further notice would be required for the invocation of the Pledge and the notice that is provided pursuant to the provisions of the clause would be a reasonable notice for the invocation of the pledge and under the provisions of the Indian Contract Act, 1872.
 11. The proceeds so realized from the sale of the Gold Security shall be utilized towards the repayment of dues under the Loan. In the event that the proceeds so realized are insufficient to meet the amount of dues, the Bank may take such other and further actions as it may deem necessary to realize the balance amount from me/us. In case of more than one borrower, we agree that our liability shall be joint and several.
 12. The loan is repayable on demand /within a maximum repayment period of 12 months or less as specified/*within a maximum repayment period as specified.* (whichever is applicable)
 13. Gold ornaments and jewellery pledged with the Bank shall be kept at the risk of the Borrower in the ordinary safes, the Bank exercising only the ordinary care of the safe custody. The Bank shall not be liable in case of any damage to the articles by reason of accident, force majeure, act of God etc.
 14. I/We hereby expressly authorise and provide our explicit consent to the Bank that the Bank may take all necessary steps to ensure the purity and/or fineness of the pledged Gold Security, including but not limited to stone testing, necessary acid tests, hammering/cutting the Gold Security, etc., as may be deemed fit by the Bank/Appraiser.
 15. Minimum interest for FIVE days or Rs. 50/- (whichever is higher) or such other revised rates fixed by the Bank will be charged on the loan, even if it is repaid within the said period.
 16. In the event of any unforeseen circumstances or market disruption or force majeure event, the Bank may in its absolute liberty and discretion, enhance the rate of interest or recall the credit facility, after serving a Notice of 30 days.
 17. Incidental charge, appraiser's charge, including second appraiser's charge or other charges as fixed by the bank from time to time will be levied on the loan.
 18. If the pawner has other dues to the bank as principal debtor, co-obligant, guarantor or in any other capacity by way of loans, overdrafts or other debts in any manner, unless and until such debts, or any other debts that may arise in future are fully repaid by the pawner, the jewels pledged under this loan will be taken as security for all such debt or debts and will be retained by the bank as security and will be dealt with in regard to sale etc, as a pledged commodity.
 19. If the loan is not repaid on demand, the jewels pledged will be sold in public auction or through private negotiation and the pawner will be personally liable for any deficit. If there is any surplus available, it will be appropriated by the bank towards any other loan, overdraft or debt due by the pawner as debtor, guarantor or in any other capacity. Such sale made by the bank shall not be disputed by the pawner in any manner whatsoever.
 20. I/we agree that any notice (including notice of sale of Gold Security) be addressed at my /our address mentioned in the application form and may be sent by Registered AD or hand delivered or by email to the email address mentioned in the application form or short message service (SMS)/social media communications to my /our mobile phone(s).

21. In addition to any general lien or similar right to which the Bank as bankers may be entitled by law, the Bank may at any time and without notice to me/us combine or consolidate all or any at the my/our accounts with and liabilities to the Bank and set off or transfer any sum or sums standing to the credit at anyone or more at such accounts in or towards satisfaction of any at the my/our liabilities to the Bank on any other account or in any other respect. Whether such liabilities be actual or contingent, primary or collateral and several or joint.
22. When the loan is closed and Gold Coins /jewels redeemed, discharge should be endorsed by the pawner in the pledge form.
23. The non-compliance of Financial Default will attract penal charges as stipulated in Penal Charges section as mentioned herein above.
24. The Bank shall have right to recall the loan at any time before the expiry of 12 months or before the expiry of the period for which the loan is allowed */before the expiry of the period for which the loan is allowed*, if it considers that interest of the Bank is in jeopardy and the decision of the Bank in this regard shall be final and binding on the Borrower. (whichever is applicable)
25. The Bank shall have the right to make disclosure to Credit Information Bureau of India Ltd. (CIBIL) or such other similar agencies.
26. The Lender shall also be entitled to disclose information, as stated above to any person as may be required/ specified by applicable laws including but not limited to consent for disclosure of information to Information Utilities set up pursuant to the Insolvency and Bankruptcy Code, 2016. The disclosure as stated above may be made/ released in any form (including electronic, media) with such details (including photographs) as may be deemed fit by Lender. The Charges as applicable shall be borne by the Borrowers/Guarantors to the Credit Facility.
27. All disputes arising out of and/or relating to this including any collateral document shall be subject to the exclusive Jurisdiction of the Courts / Tribunals of the city in which the branch of the Bank granting the Loan is situated.
28. The Bank reserves to itself the right to alter, add or delete these terms and conditions at any time. For this purpose, the Bank will not be required to give separate notice to each Borrower and any change in the rules displayed in the Notice Board of the Branch of the Bank shall be sufficient notice to all the concerned persons.
29. I/We confirm having received, read and understood the terms and conditions applicable to this Loan and accept hereby without notice the terms and conditions unconditionally and agree that this terms and conditions may be changed by the Bank at any time and will be bound by amended terms and conditions.
30. The borrower is aware and agrees that in the event the Gold Loan packet is found with spurious gold, the Bank shall not release the packet to the borrower, even after closure of the loan until completion and closure of all the legal formalities related thereto.
31. The borrower/pawner acknowledges that the rate per gram fixed by the Bank for Gold Loan is based on the rate prevailing on the date of loan application, and in case of downward fluctuations of price or upward movement of rate of interest, the Bank may demand repayment to cover the margin on one week's notice.
32. **For PSL & end use:** The borrower is aware that it is on faith of this representation, declaration, and confirmation the Bank has considered my loan application for financial assistance under the category of Priority Sector advance. I shall indemnify the Bank in the event of any loss or damage that may arise on account of false/incorrect declaration by me.
33. I/we agree to pay the loan in EMIs (Equal Monthly Installments) as fixed by the Bank without any holiday period. The installments shall be paid each month/quarter on or before the due date fixed by the Bank till complete repayment. (Only if applicable)
34. **"RLLR"** means Repo Linked Lending Rate. The term "Repo Rate", means the rate at which the Banks borrow funds from Reserve Bank of India and the Bank has adopted the REPO rate as the external benchmark to arrive at the effective rate of interest. RBI Repo Rate prevailing as on the day, immediately preceding the day on which disbursement is made shall be applicable and the Bank's operating cost as on the date of disbursement shall be applicable. The Repo Rate will be reset on the next day after the Repo rate is revised by the Reserve Bank of India (RBI) and accordingly the effective rate of interest may vary. Further the effective rate of interest may also vary due to change in other components of ROI, i.e., Operating Cost and/or Spread. Operating cost may change as per Banks policy in tune with regulatory guidelines and spread may undergo change when borrower's credit assessment undergoes substantial change. The Repo linked lending rate will change upwards or downwards as the case may be, in line with movement of Repo Rate fixed by RBI, on the Reset date mentioned above. The actual lending rate shall be determined by adding the components of Operating Cost and Spread to REPO Rate. The Spread may undergo change when the borrower's credit assessment etc undergoes substantial change etc in the opinion of the Bank and the decision of the Bank in this regard shall be final and binding on the Borrower. The 'Operating Cost' will undergo change once in every three years from the date of 1st disbursement or as per Banks policy in tune with regulatory guidelines. Therefore, the effective rate of interest may vary depending upon changes in

- Operating Cost and / or Spread as mentioned above.
- RBI Repo Rate prevailing as on the day, immediately preceding the day on which disbursement is made shall be applicable and the Bank's operating cost as on the date of disbursement shall be applicable. The Repo Rate will be reset on the next day after the Repo rate is revised by the Reserve Bank of India (RBI) and accordingly the effective rate of interest may vary.
35. Spread includes Operating Cost, Business Strategy Spread and Credit Risk Premium. Operating cost and Business Strategy spread shall remain unchanged for a period of 3 years from the date of first disbursement. The Bank reserves the right to modify the Spread at any time upon change in borrower's credit assessment etc./upon substantial change in the opinion of the Bank/change in the borrower's credit risk profile and/or on account of regulatory changes etc. as agreed upon in loan contract and the decision of the Bank in this regard shall be final and binding on the Borrower. The 'Operating Cost' will undergo change once in every three years from the date of 1st disbursement. The Repo linked lending rate will change upwards or downwards as the case may be, in line with movement of Repo Rate fixed by RBI, on the Reset date mentioned above. Further the effective rate of interest may also vary due to change in other components of ROI, i.e., Operating Cost, Business Strategy Spread and Credit Risk Premium. (Only if applicable)
 36. [#]For floating rate loans, MCLR prevailing on the date of first disbursement shall be applicable and will remain unchanged until the date of next reset, irrespective of interim changes in MCLR. Spread is also subject to variation on the date of reset and also at any point in time, on deterioration in the credit risk profile of the customer. Rate of Interest at each reset will be calculated based on the MCLR prevailing on that date plus existing spread or revised spread, as the case may be. (Only if applicable)
 37. The borrower hereby agrees to link the credit facility availed hereunder to my operative accounts as stated in loan details furnished by me. Borrower/s also allow Bank to automatically debit all the dues, including installment and charges, from the aforementioned operative account, as and when a demand for installment or charges arises in the credit facility availed by Borrower/s.
 38. If the EMIs are not being paid as stipulated, the jewels pledged will be sold in public auction or through private negotiation and the pawnor will be personally liable for any deficit. If there is any surplus available, it will be appropriated by the bank towards any other loan, overdraft or debt due by the pawnor as debtor, guarantor or in any other capacity. Such sale made by the bank shall not be disputed by the pawnor in any manner whatsoever. (Only if applicable)
 39. I / We hereby confirm that the official of the Bank have read and translated accurately the aforesaid terms and conditions in my /our vernacular language and I / We have completely understood the same.
 40. I/We hereby declare that the details furnished above are true and correct to the best of my knowledge and belief and I undertake to inform you of any changes therein, immediately. In case any of the above information found to be false or untrue or misleading or misrepresenting, I/we may be held liable for it.
 41. My personal/KYC details may be shared with central KYC registry. I hereby consent to receiving information from Central KYC registry through SMS/Email on the above registered number/email address.
 42. I/We authorize South Indian Bank to verify and authenticate my/our Aadhaar Number during processing my/our application for legitimate business purposes. I/we further authorize the bank to share my Aadhaar related details/information with regulatory/statutory bodies, as and when required.
 43. The borrower hereby declares that he/she is not in any way related to the appraiser.
 44. Bank shall be entitled at its discretion to engage/ avail of, at the risk and cost of the Borrower, services of any person /third party service provider/agent/agency, for anything required to be done for/ in relation to/ pursuant to the Loan, including collections, recovery of dues, enforcement of security, getting or verifying any information of the Borrower/ assets, and necessary or incidental lawful acts/ deeds/ matters and things connected thereto, as the Bank may deem fit.
 45. Credit facilities are solely at the discretion of the lenders and Bank may use the services of agents in sale/marketing/collections or for any other purposes.
 46. I/We hereby expressly agree that in case of any further loan documentation, including perfection of security for pledged ornaments, the same shall be read as part and parcel of this Agreement.
 47. (*)**"MCLR"** means Marginal Cost of Funds based lending rate, which is a tenure linked benchmark, arrived based on the corresponding tenure of a particular advance/ facility. MCLR prevailing on the date of first disbursement shall be applicable and will remain unchanged until the date of next reset, irrespective of interim changes in MCLR. The revised rates (prevailing on the date of reset) shall be made applicable to the loans/ facilities extended, from the reset date till subsequent reset date. Spread is also subject to variation on the date of reset and also at any point in time, on deterioration in the credit risk profile of the customer. (Only if applicable)
 48. Borrower(s) further agrees(s) that Bank is at liberty to vary the MCLR at periodic intervals

depending on tenor/ residual tenor to next reset date and / or the Spread at such rate(s) as may be decided by the Bank from time to time either on account of a revision in the MCLR of the Bank for the corresponding tenor/ residual tenor and/ or deterioration in credit quality/ rating of the Borrower(s) as assessed from time to time by the Bank or otherwise as decided by the Bank from time to time/ as per directives of the Reserve Bank of India as the Borrower(s) agree(s) to pay the interest at such revised rate. The Borrower specifically waives notice of variation of any change in the interest rate/ rest and notice published in Bank's Notice Board/Website of the Bank or entry regarding debit of interest in the statement of account shall be deemed to be

sufficient notice of variation in rate of interest/ rest to the Borrower. Further, the Bank will be entitled to effect changes in the 'Spread' from time to time with due intimation to the Borrower and unless and until notified by the Bank, the prevailing Spread will continue to apply and will be added to the applicable/ revised MCLR to determine the effective rate of interest. Provided, further that the interest payable by the Borrower shall also be subject to the changes in the interest rates made by Reserve Bank of India from time to time. (Only if applicable)

Concepts / clarifications/ Illustrative examples on Due dates and specification of SMA 1 NPA classification dates

(In compliance with RBI circular ref – RBI/2021-22/125 DOR.STR.REC.68/21.04.048/2021-22 dated 12.11.2021)

Dues:

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

Overdue:

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

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

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

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

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

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

Age of oldest Dues:

The age of oldest dues is reckoned in days from the date on which the oldest payment is due and continues to remain unpaid. In the aforesaid illustration, if the Dues relating to 1st February 2021 remain unpaid till 01.03.2021, the age of the oldest dues is reckoned as 29 days on 02.03.2021.

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

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

Loans in the nature of Term Loans	
SMA Sub- categories	Basis for classification- Principal or interest payment or any other amount wholly or partly overdue.
SMA-0	Upto 30 days
SMA-1	More than 30 days And upto 60 days
SMA-2	More than 60 days And upto 90 days

Non-performing Asset:

Non-Performing Asset (NPA) is a loan or an advance where interest and/ or instalment of principal remains overdue for a period of more than 90 days in respect of a term loan,

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

Due date of payment	Payment Date	Payment covers	Age of oldest dues in days	SMA / NPA Categorisation	SMA since Date /SMA class date	NPA categorization	NPA Date
01.01.2022	01.01.2022	Entire dues upto 01.01.2022	0	NIL	NA	NA	NA
01.02.2022	01.02.2022	Partly paid dues of 01.02.2022	1	SMA-0	01.02.2022	NA	NA
01.02.2022	02.02.2022	Partly paid dues of 01.02.2022	2	SMA-0	01.02.2022	NA	NA
01.03.2022		Dues of 01.02.2022 not fully paid 01.03.2022 is also due at EOD 01.03.2022	29	SMA-0	01.02.2022	NA	NA
		Dues of 01.02.2022 fully paid , Due for 01.03.2022 not paid at EOD 01.03.2022	1	SMA-0	01.03.2022	NA	NA
		No payment of full dues of 01.02.2022 and 01.03.2022 at EOD 03.03.2022	31	SMA-1	01.02.2022 / 03.03.2022	NA	NA
		Dues of 01.02.2022 fully paid , Due for 01.03.2022 not fully paid at EOD 1.03.2022	1	SMA-0	01.03.2022	NA	NA
01.04.2022		No payment of dues of 01.02.2022 ,01.03.2022 and amount due on 01.4.2022 at EOD 01.04.2022	60	SMA 1	01.02.2022 / 03.03.2022	NA	NA

		No payment of dues of 01.02.2022 till 01.04.22 at EOD 02.04.2022	61	SMA 2	01.02.2022 /02.04.2022	NA	NA
01.05.2022		No payment of dues of 01.02.2022 till 01.05.22 at EOD 01.05.2022	90	SMA 2	01.02.2022 /02.04.2022	NA	NA
		No payment of dues of 01.02.2022 till 01.05.2022 at EOD 02.05.2022	91	NPA	NA	NPA	02.05.2022
01.06.2022	01.06.2022	Fully Paid dues of 01.02.2022 at EOD 01.06.2022	93	NPA	NA	NPA	02.05.2022
01.07.2022	01.07.2022	Paid entire dues of 01.03.2022 & 01.04.2022 at EOD 01.07.2022	62	NPA	NA	NPA	02.05.2022
01.08.2022	01.08.2022	Paid entire dues of 01.05.2022 & 01.06.2022 at EOD 01.08.2022	32	NPA	NA	NPA	02.05.2022
01.09.2022	01.09.2022	Paid entire dues of 01.07.2022 & 01.08.2022 at EOD 01.09.2022	1	NPA	NA	NPA	02.05.2022
01.10.2022	01.10.2022	Paid entire dues of 01.09.2022 & 01.10.2022	0	Standard Account with No Overdues	NA	NA	STD from 01.10.2022

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

ALL THE ABOVE TERMS AND CONDITIONS ARE EXPLAINED TO ME/US AND ARE ACCEPTED BY ME/US.