



BO: _____ (D. No. _____)

Place: _____

Date: _____

Branch Copy	()
Customer Copy	()

To,

Dear Sir/ Madam,

**YOUR APPLICATION FOR DEMAND LOAN/OVERDRAFT AGAINST BANK
DEPOSIT - SANCTION LETTER**

We are pleased to inform you that we have sanctioned a Demand Loan/Overdraft against Bank Deposit(s) of Rs. _____ in your favour on the undernoted terms & conditions.

Name of the Borrower		
Constitution		
Nature of Facility	Demand Loan/Overdraft	
Sanctioned Amount (In words & figure)		
Margin		
Security (Deposit Details) (If more than one Deposit account is underlying, multiple entries shall be there)	Account no.	Date of opening:
		Date of maturity:
		Current Balance:
Rate of Interest/ Weighted Average Rate of Interest (Whichever applicable)		
Concession in ROI, if any		
Repayment tenure		
Upfront fee/ Processing fee	NIL	
Other charges	Incidental Charges: ₹2/-per, entry subject to Min ₹100/- Max. ₹1000/-	
General/Specific Terms & Conditions	Attached below	

2. The above sanction is, however, subject to:
- Execution of Loan documents as per bank format and guidelines (acceptance of terms and condition in case of online advance);
 - The Most Important Terms & conditions (attached) are part & parcel of this sanction letter.

3. This sanction letter shall form an integral part of the loan agreement and other documents to be executed by the borrower and shall be governed by the terms and conditions as contained in the loan agreement. In case of inconsistency in terms and conditions in Sanction Letter and Loan agreements, the terms and conditions mentioned in Sanction Letter will prevail.
4. This sanction letter to be signed by borrower(s)/ Guarantor on each page of application form including MITC.
5. Please convey acceptance of the terms & conditions of the sanction by signing all the pages of this sanction letter

Thanking you.

Yours truly,
For Punjab National Bank
Authorised Signatory

MOST IMPORTANT TERMS & CONDITIONS
DEMAND LOAN/OVERDRAFT AGAINST BANK DEPOSIT

General terms and conditions:

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

Other terms and conditions:

1. Interest:

- 1.1 Interest is to be calculated on daily balance due to the Bank and shall be charged monthly so long as the amount due from the borrower is not paid in its entirety and the same will form part of the principal and carry interest at the applicable rate at monthly rests.
- 1.2 The bank shall keep its borrowers informed of any change in interest rates through the official website (www.pnbindia.in), quarterly statement of accounts, display in its offices and general announcements from time to time

2. Margin/ Promoter's contribution:

The applicant should bring in their entire contribution before the release of the Loan or in the manner otherwise provided in the sanction. Further, it should also be ensured that the margin stipulated is maintained/provided at each stage of disbursement (wherever applicable). The borrower shall maintain the stipulated margins on any financial accommodation allowed against the security of term Deposit(s). If there will be any erosion in the minimum margin after availing loan/advance on account of default in repayment of instalments of loan/ interest, the borrowers to bring in the funds to make good the shortfall in the minimum margin or to liquidate, if the circumstances

so warrant, the outstanding balance of loan/advance by closing the term Deposit(s) prematurely.

3. Fee & other Charges: Fees and other charges as applicable on application during the currency of the loan

a) Incidental charges shall be applicable as per sanction.

4. Repayment of loan

4.1 In case of Demand Loan facility

In case of Demand Loan against Single Deposit (FD/RD), the expiry date will be the last maturity date of Deposit. In case of closure of linked Deposit, the maturity proceeds will be credited to the loan account only. The expiry date of Demand Loan will not change throughout the loan tenure.

In case of Demand Loan against Multiple Deposit(s) (FD/RD), the expiry date will be the last maturity date of Deposit(s). After maturity of First Deposit (FD/RD), auto closure or delinking (upon Depositing apportioned amount only) will be done. In case of closure of linked Deposit(s), the maturity proceeds will be credited to the loan account only. Further, after closure/delinking of Deposit(s), drawing power and rate of interest will be updated in Demand loan account according to the remaining Deposit(s). No further disbursement shall be allowed in case of Demand Loan at any point. The expiry date of Demand Loan will not change throughout the loan tenure.

4.2 In case of Overdraft Loan facility

In case of Overdraft against Single Deposit (FD/RD), The expiry date will be the maturity date of Deposit (FD/RD). In case of closure of linked Deposit, the maturity proceeds will be credited to the loan account only.

In case of Overdraft against multiple Deposit(s) (FD/RD), The expiry date will be the maturity date of Deposit (FD/RD), maturing on first coming date which will be revised with the maturity date of Deposit(s) (FD/RD) maturing next and so on. After maturity of First Deposit (FD/RD), auto renewal/ auto closure/delinking (upon Depositing apportioned amount only), as per the option availed by the borrower at the time of applying for loan, will be done. In case of closure of linked Deposit(s), the maturity proceeds will be credited to the loan account only. Further, after renewal/closure/delinking of Deposit(s), drawing power, rate of interest and expiry date will be updated in Overdraft account according to remaining Deposit(s)s. The revised expiry date of overdraft will be the maturity date of Deposit(s) (FD/RD) maturing next and so on.

5. Security: The loan will be secured by Lien on Deposit(s) in case of primary security, within the stipulated time period as specified in the sanction. Personal guarantee if any, will be obtained as per sanction.

6. Disbursement:

- a) The borrower shall submit all relevant documents as mentioned in the Sanction Letter/Loan Agreement before disbursement. The borrower shall execute loaning and security document in favour of the bank to secure the credit facilities sanctioned.
- b) The borrower will request for disbursement of the loan in writing to the branch or as per the manner prescribed by Bank.
- c) Before disbursement of Loan, applicant to ensure that all necessary statutory and other approvals/permissions have been obtained.
- e) Loan will be utilized strictly for the purpose as per sanction. Deviation if any, will be treated as non-compliance and action shall be taken as per Bank's/RBI Guidelines.
- f) Borrower to comply with all preconditions for disbursement of the loan as mentioned in the Sanctioned Letter.

7. Scheme specific terms and conditions:

- a) Borrower undertake that loan amount will not be used for speculative purpose
- b) Borrower undertake that loan amount will not be used for Inter-corporate investments, or acquiring controlling interest in company/companies.
- c) Demand Loan/Overdraft sanctioned against self-Deposit(s) will be credited only to the account with same Customer Id and account with same name. Proceeds after adjustment of DL/OD will credited in the account with the same Customer-Id with same name from which proceeds have been originated.
- d) Borrower undertake that they are having aggregate exposure from the banking system of less than ₹5 crore and they shall inform the bank, as and when the credit facilities availed by them from the banking system become ₹5 crore or more.
- e) Borrower will inform the bank immediately, as and when there is any change in address or contact details especially mobile number and email address as reports/notice will be sent on email address and in case of shortfall in margin, SMS and call will be made on the registered mobile number (In case of non-updation by the customer, message sent on number as per existing record will be considered final).
- f) Borrower undertake that in case of loss of any nature arising out of sale/substitution or any other action, the borrower shall have to make good the same to the bank.
- g) The Lien/charge hereby created by borrower over the said securities pledged and/or assigned with the Bank shall be available as a continuing security even if the Demand loan/overdraft runs into credit or the Balance is reduced or extinguished at any time or from time to time and any accretion in the said securities or any money coming into the bank and the bank shall be entitled to adjust/appropriate/ liquidate the same in full or any part thereof.
- h) The amount due and other charges, if any, be adjusted and will be appropriated from the proceeds of Deposit(s) at any time before or on its maturity at your discretion unless the loan is otherwise fully adjusted, within two days on demand in writing made by Bank.
- i) Bank is authorized to appropriate the interest payable on the said Deposit(s) from time to time towards the adjustment of dues. This authority will stand notwithstanding any other instructions given by borrower at the time of opening

of said Demand loan/overdraft account in respect of the payment/crediting of interest.

- j) In the event of renewal of the said Deposit(s) account, Bank will hold the renewed Deposit(s) receipt as security of above loan.
- k) Bank will have the right to set off the balance of borrower saving/current/any other account and adjust the amount due from the borrower out of the same
- l) Bank is authorized by borrower that security for the said loan shall also be the security including the surplus proceeds thereof for any other liability and obligations present and future in favour of the bank and the bank shall be entitled to retain/realise/utilize/appropriate the same without reference to the borrower.

8. Recovery of dues:

- a) Customers have been explained the repayment process of the loan in respect of, tenure, periodicity, amount and mode of repayment of the loan. No notice, reminder or intimation is given to the customer regarding his/her obligation to pay the Interest/repayment regularly on due date.
- b) On non-payment of interest/repayment by the due dates, Bank shall remind the customers by making telephone calls/SMS, sending written intimations by post and electronic medium or by making personal visits by Bank's authorized personnel at the addresses provided by the customer. Costs of such calls/communication /visits shall be recovered from the customer.
- c) Notwithstanding what is stated herein, it shall be the liability of the customer to ensure that the interest/repayments are regularly paid on the due dates.
- d) That in case of default of repayment of loan, Bank shall be at liberty to adjust dues amount by closing the Term Deposit(s)/RD/FD prematurely.
- e) Credit information relating to any customer's account is provided to the Credit Information Bureau (India) Limited (CIBIL) or any other licensed bureau on a monthly basis. To avoid any adverse impact on the credit history with CIBIL, it is advised that the customer should ensure timely payment of the amount due on the loan amount.

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

- a) Write to the branch or contact us through toll free number 1800-1800 / 1800-2021.
- b) Contact the branch within the working hours for:
 - i. Photo Copies of loan documents, which can be provided in 7 working days from date of placing request. Necessary administrative fee shall be applicable.
 - ii. Original documents namely Deposit(s) receipts will be returned within 3 working days from the date of closure of loan.
 - iii. Loan Account statement (time line): Within 3 working days of the receipt of request.

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

- a) Borrower can meet or write to the Branch Head of the concerned branch or

- b) The Borrower can complain to customer care through our website: www.pnbindia.in or email at care@pnb.co.in -or through Internet Banking/ Mobile Banking or on toll free number.
- c) In case the grievance remains unresolved beyond a period of 15 days, the borrower may escalate the matter to Principal Nodal Officer, Punjab National Bank, Customer Care Division, Head Office, Sector 10 Dwarka, New Delhi 110075.

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