



eCircular

Department: PBU-CONSUMER DURABLE & e-COM

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Date: Thu 9 Dec 2021

The Chief General Manager
State Bank of India
Local Head Office
All Circles

Date: 08.12.2021

Madam / Dear Sir,

MASTER CIRCULAR
LOAN AGAINST SECURITIES

We have been issuing Circulars / Instructions containing operating instructions on the subject loan against securities from time to time. To enable the operating functionaries to have current instructions at one place, a Master Circular incorporating all the existing Circulars / Instructions has been prepared and is appended. We advise that this Master Circular consolidates all the previous instructions issued upto 30.09.2021 vide the circulars listed in the Annexure - Appendix: Master Circular

Yours faithfully,

(Devendra Kumar)
Chief General Manager (PB)

**MASTER CIRCULAR
LOAN AGAINST SECURITIES
(Updated upto 30.09.2021)**



State Bank of India
LOAN AGAINST SECURITIES
Personal Banking Business Unit
Corporate Centre
Mumbai

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LOAN AGAINST BANK'S TERM DEPOSITS (DOMESTIC)

Introduction:

Time Deposits are deposits kept with the Bank by customers for the contracted period and are payable only after expiry of the said period. In case the depositor wants back his funds before the expiry of contract period, the amount is either to be withdrawn by premature option or loan can be availed against said deposits. To meet depositors' liquidity needs, branches can grant loans against the security of the following types of the Time Deposits:

- i) Term Deposits (including NRE/NRO /FCNB deposits)
- ii) Special Term Deposits (including NRE/NRO/FCNB deposits)
- iii) Recurring Deposits (Accounts with balance of Rs.100/- & above only, including NRE/NRO Deposits)

(No loan will be granted against RFC deposits)

1. Eligibility Criteria:

- (a). Loans can be granted against time deposits kept by the Indian Nationals as well as Non-Resident Indians (NRIs) to
 - i) Individual depositors against the deposits held by them either in their sole name or joint names with 'E or S' / 'anyone or S' / F or S mandate". Loans can only be granted to all the depositors jointly (in case of mode of operation is jointly payable). In case of survivor deposit holder in joint deposits with Either or Survivor / Former or Survivor, survivor need not be made joint borrower, however such survivor must be joined in the creation of pledge over the term deposit jointly held i.e., the pledge document should be executed by both the joint deposit holders.
 - ii) Guardian in his capacity as a Natural /Legal guardian against the deposits held by him jointly with the minor or in the sole name of the minor.

(b). Other conditions / precautions:

- Loan against a term deposit issued in joint names with 'E or S' / 'anyone or S' / F or S may be granted only if it is pledged jointly by all the depositors.
- A revised Either-or-Survivor form has to be invariably obtained when the loan is granted against the joint deposit receipt irrespective of mode of repayment.
- Loans can also be granted to Third Parties (individuals) against the deposits, which are not held in their names. (e.g., Loan granted to A against the deposit held in the name of B).
- Loans against Term/Special Term deposits, which have already completed 50% of their contracted period, should normally be considered favorably. If a loan is sought immediately after issue of the deposit, it should be discouraged, and depositors should be advised to seek premature payment of the term deposit. Generally, depositors who are likely to avail loan(s) at a later date should be persuaded to invest money in Liquid Term Deposit or Multi Option Deposit, where there is provision for withdrawal of a portion of the deposit as per customer's requirements with the least financial loss.
- It has been decided by the competent Authority that Non-Home Branches shall henceforth not sanction and disburse loan against TDRs/STDRs. Operating units should advise them to avail the facility of Online loan against Fixed Deposits available to Retail Internet Banking users. The TDRs/STDRs holders willing to avail the DL/OD against the TDRs/STDRs held at non-home Branches should be advised to get the deposit

transferred to the Branch from where he/she is willing to avail the loan.

- **As a rule, no advance should be granted against the security of Term Deposit Receipts issued by other banks.**
- **Loan is not allowed against SBI Tax Savings Scheme -2006 during the lock in period of 5 years.**
- **No Loan / Advance shall be made against Term Deposits in the name of Govt. Officials/Departments issued at the request of Contractors/Traders.**

2. Type of facility:

Demand Loan or Overdraft Account

The salient features of the product are summarized below:

Parameter	Demand Loan	Overdraft
Margin (Public)	<ul style="list-style-type: none">❖ 5% Margin on (Principal + Accrued interest) if residual tenure of Time deposit is upto 36 Months as on date of availing of loan.❖ 10% Margin on (Principal + Accrued interest) if residual tenure of Time deposit is more than 36 Months and upto 60 months as on the date of availing of loan.❖ 15% Margin on (Principal + Accrued interest) if residual tenure of Time deposit is more than 60 months as on the date of availing of loan. <p>❖ In case of TDRs branches has to obtain the following mandate from the borrower(s) at the time of sanction of the loan.</p> <p>“I (we) hereby authorise the Bank to credit the interest earned on my/our TDR(s) in the loan account instead of my/our deposit account till the loan is liquidated”.</p> <p>The loan account is to be linked manually with FD account for credit of interest accrued from time to time, so that the major portion of interest gets serviced during the currency of the loan.</p> <p>The necessary correction in existing arrangement of interest payment if any to be made by using the screen no. 007000 (Amend Deposit tabbed screen) for amendment in TDR to update the loan account in CBS after opening of OD/DL account to ensure that interest payable on TDR (against which loan is availed) is credited to respective OD/ DL account during the currency of the loan.</p>	
Margin (Staff / Bank's Pensioners)	<ul style="list-style-type: none">❖ 5% Margin on (Principal + Accrued) interest if residual tenure of Time deposit is upto 60 Months as on date of availing of loan.❖ 10% Margin on (Principal + Accrued) interest if residual tenure of Time deposit is more than 60 months as on the date of availing of loan.	

Parameter	Demand Loan	Overdraft
Loan Amount (Public)	Maximum upto 95% of the principal plus accrued interest as per the revised Margin stipulated.	Maximum upto 95% of the principal plus accrued interest as per the revised Margin stipulated.
	Only one demand loan will be sanctioned against one Time deposit.	Overdraft facility to be given against multiple Time deposits.
	The DL liquidated at the time of maturity of Time deposit and remaining amount of deposit, if any, will be renewed for the same contractual tenor of original Time Deposit or as per customer mandate.	Maturity proceeds of Time deposit will be credited to OD account and DP will be reduced to the extent of collateral value of matured FD and remaining amount, if any, will be renewed for the same contractual tenor of Time Deposit or as per customer mandate.
	However as auto rollover of TDRs/STDRs is permissible, the loan granted against such TDRs/STDRs will not be closed on the date of rollover. The new TDR/STDR will continue to be linked to the existing loan account and lien/hold on the account will also continue. In case of DL, Branch should invariably close the loan account and remaining amount, if any, will be renewed for the same contractual tenor of Time Deposit or as per customer mandate.	
Loan Amount (Staff / Bank's Pensioners)	Maximum upto 95% of the principal plus accrued interest as per the revised Margin stipulated.	Maximum upto 95% of the principal plus accrued interest as per the revised Margin stipulated.
Rate of interest (Public)	1.00% above the relative time deposit rate.	Interest on OD will be charged @1.00% above the highest rate of interest being earned amongst all TDRs/STDRs against which the OD is granted.
	<ul style="list-style-type: none"> ❖ In case where interest rate of STDR/TDR remains same at the time of auto renewal, it will be allowed to be auto renewed and same interest rate will continue at the Loan/OD account. ❖ In case of interest rate undergoing change, the STDR/TDR will be allowed to be auto renewed. The interest rate in Loan account will be revised as per the rate of STDR/TDR plus product level spread/ margin. 	
Rate of interest (Staff / Bank's Pensioners)	Rate of interest on loan will be same as rate of interest applied on deposit.	Interest on OD will be charged at the highest rate of interest being earned amongst all TDRs/STDRs against which the OD is sanctioned.

- **Family members of Staff / Retired staff are not eligible for staff loan benefits.**
- The interest charged on the advance against the Bank's term deposit receipts where the relative deposits are subsequently withdrawn prematurely, should be adjusted in such a

way that the interest charged on the advance works out to 1.00% [or as applicable] over the rate at which interest is actually paid on the deposit.

5. Security:

Lien/hold to be recorded in the system. If borrower(s) and person(s) furnishing securities are different, revised loan agreement for specified securities (enclosed as Annexure), will be obtained.

In case of RD account, lien to be marked in the system against account number on similar lines of the TDR/STDR. The particulars of the loan account will be noted on the first page of the RD passbook and after authenticating the said entry, the relative passbook will be returned to the borrower(s).

The following documents are required to be obtained while granting Demand Loan/Overdraft against balances in said term deposit accounts.

- i) Loan Application Form.
- ii) Loan Agreement – Specified Security.
(To be stamped as an agreement in accordance with the stamp act in force in the state in which this document is executed and not to be attested).
- iii) D.P. Note with D.P. Note Delivery Letter.
- iv) Arrangement Letter.
- v) E or S form on COS 142 or E or S Agreement on COS 57, where applicable.
- vi) Witness letter in case of illiterate borrowers, if applicable.

MANAGING CONCESSION IN RATE OF INTEREST IN CBS: SEPARATE PRODUCT CODE FOR CONCESSIONARY RATE OF INTEREST.

Circle functionaries have been delegated with discretionary powers for permitting concession in Rate of Interest on Loan against Deposits, depending on business connection and potential, in terms of e R&DB/PBU/CD&e-COM-PL/3/2018- 19, dated 20 Aug 2018, as under:

Authority to approve concession in RoI on Card Rate irrespective of amount	Concession in Card Rate upto	Control Report to be submitted to
Branch Manager	0.10% p.a.	Regional Manager
Regional Manager	0.25% p.a.	Dy. Gen. Manager (B & O)
General Manager of the NW	0.50% p.a. for loan of Rs.1 crore and above	Circle CGM

As per parameterization, RoI on loan against deposits has been hardcoded in CBS as 1% above the applicable rate of deposit. The operating units are therefore unable to implement the concession in RoI in CBS, despite approval from respective authorities. In order to enable the branches to open loan accounts in CBS with concessionary RoI, approved as per delegation of powers, separate product codes have been created.

S. No	Product Code	Product Description
1	6050-7010	OD AG DEPOSIT CONCESSIONARY ROI
2	6350-7010	DL AG DEPOSIT CONCESSIONARY ROI

The instructions for operating units in this regard are as under:

- a). The accounts will be first opened in existing product code. Thereafter, the account will be migrated to new product code as per approval for concession in ROI, ONLY through service desk.
- b). After switching over to the new product code through service desk, the operating units to apply the rate of interest in CBS as per the approval obtained from Competent Authority.
- c). Operating units are advised to disburse the loan amount or allow the transactions in OD account only after materialisation of Rate of interest change in loan/OD account in CBS as backdated effect is not available in CBS in such instances.

PROCESSING OF ALL LOANS AGAINST TIME DEPOSIT THROUGH LOS INCLUDING STAFF LOANS

Now, it has been decided by the Bank that.

- (i) All loans against Bank's Time Deposit should be processed through LOS and
- (ii) Staff Loans against Bank's Time Deposit should also be processed through LOS.

The processing of loans through LOS not only helps in risk mitigation but a proper record is also maintained in the system for future requirements. It takes care of the processing of a loan right from sourcing to sanction and generates account number in CBS. The said functionality is developed in LOS for all loans against Bank's Time Deposit including Staff Loans and operating units can sanction and generate the documents through LOS.

LOAN AGAINST FLOATING RATE BULK TERM DEPOSIT (FRTD):

- ❖ Loan/Overdraft facility would be available up to 90% of FRTD amount (excluding accrued interest).
- ❖ Interest rate would be 1.50 % p.a. above the applicable floating interest rate at the time of opening loan account and rising and falling with changes from time to time.
- ❖ Periodic interest payment, where made, will be credited to loan account only.
- ❖ Proceeds of deposit shall be credited in the respective loan account.

Delegation of Financial powers in case of 100% cash Margin/Specified securities (Refer to Delegation of Financial Power Circulars issued from time to time for latest updates)

Category	DL/OD against 100% cash margin and other specified securities (Rs. In Cr)
Assistant Manager (SAB)	0.10
Assistant Manager	0.20
Deputy Manager	0.30
Manager	0.50
Chief Manager	0.75
AGM (Branch/Region/CAG/CCG/PFSBU)	100
DGM (Branch/Region/CAG/CCG/PFSBU/Sales Head)	250
GM (CAG – Branch / CCGRO / Network / PFSBU)	Full

Loans against NRI Deposits (NRE/NRO/FCNR Deposits):

Deposit type	NRO TDR/STDR/RD	NRE TDR/STDR/RD	FCNR(B) TDR/STDR (also refer para 4 below)											
Purpose	Personal purpose (including acquisition of flat/house in India for own residential use) or for carrying on business activities except for re-lending or carrying out agricultural/ plantation activities or for investment in real estate business.													
Type of facility	Demand Loan/Overdraft	Demand Loan/Overdraft	Demand Loan/ Foreign Currency Loan											
Currency	Rupee	Rupee	a) Rupee. b) foreign currency in USD, GBP, EURO											
Period of Loan	Up to the remaining period of maturity	Up to the remaining period of maturity	a) Rs loan- Up to the remaining period of maturity b) FCL: Upto 1,2 or 3 year or upto the remaining period of maturity.											
Available at	Home branch in India	Home branch in India	Designated branches in India/ at foreign office											
Minimum Loan	No limit	No limit	USD 25000, GBP 15000, Euro 20000 and in case of loan in INR minimum loan amount is Rs. 25,000/-											
Maximum Loan	No limit	No limit	No limit											
Margin DL/OD in INR against FCNR(B)	<ul style="list-style-type: none"> 5% Margin in case the residual tenure of Time Deposit is up to 36 months, as on the date of availing of loan. 10% Margin in case the residual tenure of Time Deposit is more than 36 months and up to 60 months as on the date of availing of loan. 15% Margin in case the residual tenure of Time Deposit is more than 60 months as on the date of availing of loan. 	<table border="1"> <tr> <td>Residual maturity period of Deposit:</td> <td>Margin</td> </tr> <tr> <td>upto 1- year</td> <td>10%</td> </tr> <tr> <td>upto 2- years</td> <td>20%</td> </tr> <tr> <td>upto 3- years</td> <td>30%</td> </tr> <tr> <td>upto 4- years</td> <td>40%</td> </tr> <tr> <td>upto 5- years</td> <td>50%</td> </tr> </table>	Residual maturity period of Deposit:	Margin	upto 1- year	10%	upto 2- years	20%	upto 3- years	30%	upto 4- years	40%	upto 5- years	50%
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upto 3- years	30%													
upto 4- years	40%													
upto 5- years	50%													
Margin DL in Foreign Currency against FCNR (B) (in USD, GBP, EURO)	FCL Not available	<table border="1"> <tr> <td>Residual maturity period of Deposit:</td> <td>Margin</td> </tr> <tr> <td>upto 3- years</td> <td>10%</td> </tr> <tr> <td>Above 3-years and upto 5- years</td> <td>15%</td> </tr> </table>	Residual maturity period of Deposit:	Margin	upto 3- years	10%	Above 3-years and upto 5- years	15%						
Residual maturity period of Deposit:	Margin													
upto 3- years	10%													
Above 3-years and upto 5- years	15%													

Deposit type	NRO TDR/STDR/RD	NRE TDR/STDR/RD	FCNR(B) TDR/STDR (also refer para 4 below)
Interest rate on rupee loan	1.00% over the TDR/STDR rate	1.00% over the TDR/STDR rate	2.90% over 1-year MCLR (presently 1-year MCLR is 7.00%)
Interest rate on Foreign Currency loan	FCL Not available	FCL Not available	*150 BPS over applicable FCNR(B) deposit rate.
Deposit type	NRO TDR/STDR/RD	NRE TDR/STDR/RD	FCNR(B) TDR/ STDR
Execution of Documents (In India at home branch)	To be executed by depositor himself at home branch and not by Power of Attorney holder	To be executed by depositor himself at home branch and not by Power of Attorney holder	To be executed by depositor himself at home branch and not by Power of Attorney holder.
Repayment of Loan	Adjustment of deposit/fresh inward remittance/from NRO account	Adjustment of deposit/fresh inward remittance/ from NRO/NRE account.	Adjustment of FCNR (B) deposit (on maturity only) / fresh inward remittance/ from NRO/ NRE account on maturity.

* Circle CGMs may quote lower interest by 50 bps for loan exceeding USD 100,000/- Circular No.: IBG/FD/FD-FCL/12/2008 – 09 dated 05.05.2008.

- Please note that RBI has removed the ceiling on maximum loan amount (both in INR and Foreign Currencies) to be granted against NRE/FCNR(B) and has further issued instructions restricting the depositor from premature withdrawal of his/her NRE/FCNR (B) deposits against which such loan has been granted.

Procedure for Foreign Currency Loan (FCL):

GMU Kolkata has issued detailed guidelines for handling FCLs vide its Circular No.134/2012-13 dated 05.12.2012. Branches should make a reference to this Circular while entertaining any request for FCL. The salient features of this Circular are as under:

- a) Only a small number of branches have been authorized to handle FCLs.
- b) Authorized branches will obtain prior funds allocation from GMU-K in all cases.
- c) All disbursement and repayments under the scheme on the day are to be reported to FCNB section at GMU-K by fax (Fax No; 033-22880520) and by e-mail to AGM, FCNB (email ID: agmfcbn.fd@sbi.co.in). No reporting is required to be made to GMU-K dealing room for loan transaction.
- d) Interest on FC loans will be applied at monthly intervals, i.e., on the last working day of every month. Interest is arrived in foreign currency at the applicable rate and debited to customer's loan account. Branches will submit statement of "Outstanding FC Loans to NRIs" at the end of each quarter to FCNB section, GMU-K.

With a view to streamline the disbursement of FCL, a new parking account under the same CIF named as 'FCNB Loan Disbursal Account' in three designated foreign currencies i.e., USD, GBP and EURO. Branches are advised to close the account immediately after disbursement of FCL and as soon as the loan proceeds are remitted and the balance in the account is zeroised. Thereafter, the account shall not be available for any transactions. The details of the product codes are as under:

S. NO	Product Code	Description
1	5012-1412	CA-FCNB LOAN DISBURSAL A/C -GBP
2	5012-1414	CA-FCNB LOAN DISBURSAL A/C- EUR
3	5012-1419	CA-FCNB LOAN DISBURSAL A/C- USD

Annexure to Global Markets Circular No.134/2012-13
Authorised Branches for Foreign Currency Loans against FCNR Deposits

Sr. No.	Circle	Name of the branch	Code
1	Mumbai	NRI Branch, Mumbai	8964
2	Kolkata	NRI Branch, Kolkata	6284
3	Chennai	NRI Branch, Chennai	7684
4	New Delhi	NRI Marine Arcade Branch, New Delhi	8655
5	New Delhi	Spl. NRI Branch, New Delhi	13405
6	New Delhi	Jaipur Main Branch	0656
7	New Delhi	NRI Branch Dehradun, Uttarakhand	10646
8	Lucknow	Main Branch, Lucknow	0125
9	Ahmedabad	Main Branch, Ahmedabad	0301
10	Hyderabad	NRI Branch, Hyderabad	4071
11	Kerala	NRI Branch, Thiruvananthapuram	7019
12	Chandigarh	NRI Branch, Chandigarh	5850
13	Bangalore	SPBB, Bangalore	6866
14	Bhubaneshwar	Main Branch, Bhubaneshwar	0041
15	Patna	SPBB, Patna	4070
16	Bhopal	Main Branch, Bhopal	1308
17	Guwahati	Main Branch, Guwahati	0078

Instructions for the operating functionaries for compliance:

a) Entries to be put by the branches for disbursement of FCL: -

Step I

Dr. DL-NRI FCNR (B) Account

Cr. FCNB Loan Disbursal A/c (Parking-USD/GBP/Euro)

Step II

Dr. FCNB Loan Disbursal A/c (Parking-USD/GBP/Euro)

Cr. Nostro Mirror Account through Integrated Forex Module (IFM) Module.

b) No overdraft or Cheque book facilities to be permitted on the said account.

c) A consent clause to the effect that any foreign currency loan against FCNR(B) shall be disbursed by opening an intermediary/parking account named 'FCNB Loan Disbursal A/c' in the customer's name under the same CIF which shall stand closed as soon as the loan proceeds are remitted out and that the account shall not be available for commercial transactions.

d) An undertaking from the customer to the effect that there is no change in the KYC documents already available with the bank and any change at a later date shall be promptly notified to the bank.

e) Fresh KYC documents to be obtained at the time of application of FCL by the customer(s), if the KYC documents already obtained were

- More than 2 years old in case the customer is classified under Medium/High risk category or
- More than 5 years old in case the CIF (customer) is classified under Low-risk category.

Branches should take additional precautions as under when granting loans against the security of NRI deposits:

- The deposit receipt(s), if issued, should be directly handed over or sent to the depositor(s) concerned and his/their acknowledgement obtained.
- Loans against the NRE deposits may be repaid either in foreign currency or from domestic rupee resources from NRE/NRO accounts. (The repayment from NRO account will be within the cap of USD one million per annum for outward remittance).
- Where a fraud has been perpetrated in a Non-Resident Account and there is no involvement of the concerned Non-Resident depositor and his innocence has been proved to the satisfaction of the Bank, branches may pay the deposit proceeds to the depositor on due date even when the investigation is in progress. Branches may, however, obtain necessary documents including an indemnity bond with an acceptable surety from the Non-Resident depositor before releasing the amount.
- In the event of death of Non-Resident depositor, branches need not insist on succession certificate as a matter of routine. Since different countries follow different procedures for issuing succession certificates, branches should take a practical view and ascertain the procedure followed in the country of residence of the depositor, and thereafter, obtain such minimum documents for their record as would satisfy the requirements of their being rightful claimant.
- Banks were earlier prohibited from granting fresh loans or renewing existing loans in excess of Rs.100 lac against NR(E) RA [Rupee a/cs] and FCNR(B) deposits either to the depositors or third parties. In terms of RBI's instructions vide Master Circular dated 01.07.2014, governing FCNR(B) accounts, this ceiling has since been dispensed with. Now, the loan can be granted without any ceiling.
- **The facility of premature withdrawal of NRE/FCNR deposits shall not be available where loans against such deposits are availed of.**
- Interest will be applied at monthly intervals in both Rupee and Foreign Currency Loan.

- In case of loan against NRO/NRE TDR and FCNB deposits with periodic interest pay out, a declaration to be obtained from the depositor to deposit the future quarterly/half yearly interest into the demand loan/ overdraft account to maintain the required margin during the currency of the loan.
- Loan cannot be granted for re-lending or carrying out agricultural/plantation activities or for investment in real estate business.
- In case of loan has been made available abroad, then an undertaking from the customer for repatriation of the proceeds of deposit to be obtained.

Further under the new procedure

- i). No separate consent for disclosure to CIBIL or any other agency will be obtained as consent clause for the purpose is built in Loan Agreement– Specified Security Form. However, the same shall be obtained separately in cases where the specified Loan agreement is not required to be obtained.
- ii). The depositors are not required to surrender the deposit advice already issued / delivered to them.
- iii). In case the loan account against TD/STD Advice is closed from funds other than proceeds of relative deposit, no acknowledgement on COS 49 will be obtained, as return of Receipt / Scrip / Security is not involved (as in case of TDR/STDAs).
- iv). The branches will mark lien on the relative deposit(s) in the system and generate Statement of customer Balances showing lien marked therein on the relative deposits and will keep it with the loan documents to facilitate verification of the fact by Inspectors / Auditors.
- v). Opinion Reports need not be compiled for Loan against Bank's own fixed deposits.

Online opening of OD against Domestic TDR/STDR/eTDR/eSTDR A/c

The salient features of the OD a/c opened through Internet Banking Channel / YONO is presently different from the one being opened at the Branches. Operating units to take note of these changes which is summarised below:

OD account opened at the Branches	OD account opened by the customers through Retail INB / YONO
Applicability: Available to customers having Fixed Deposits in single or in joint name.	Applicability: Available to customers having Fixed Deposits in single name only. 2) The facility of online OD is not available against FCNR(B) Fixed deposits, MODs & Tax Savings Fixed Deposits.
Limit: The Limit of overdraft against TDR/eTDR/STDR/eSTDR will be a maximum of 95% of the face value and accrued interest of the said Fixed Deposit. Operating units can lower the Limit on request of the Deposit holders.	Limit: (i) The Limit of overdraft against STDR/eSTDR will be by default 90% of the face value of STDR/eSTDR i.e., customers will have no choice to fix the lower limit. (ii) The Limit of overdraft against TDR/eTDR will be by default 75% of the face value of TDR/eTDR by default i.e., customers will have no choice to fix the lower limit.
Loan amount: There is no minimum or Maximum loan amount	Loan amount: Minimum: Rs.5,000/- Maximum: Rs.5.00 Cr
Rate of Interest: 1.00% above the Interest payable on the Fixed Deposit	No Change
Tenure: In case the Fixed Deposit is automatically renewed, and the OD account continues, operating units have to follow the instructions as contained in e-circular No. NBG / PBU/PL- PERLOANS/15/2010 - 11 dated 29.09.2010 to keep the Limit/ DP and rate of Interest as per the loan term.	Tenure: No Minimum residual period of TDR/STDR/eTDR/eSTDR in YONO and INB mode. (i) STDR/e-STDR: Maximum 5 years or remaining maturity period of Fixed Deposit, whichever is lower. (ii) TDR/e-TDR: Maximum 3 years or remaining maturity period of Fixed Deposit, whichever is lower. The monthly/quarterly/half yearly interest payable on TDR/eTDR will continue to be credited to the account as originally opted by the

<p>OD account opened at the Branches</p>	<p>customer.</p> <p>OD account opened by the customers through Retail INB / YONO</p>
<p>Closure of OD A/c: By the Home Branch on maturity or before maturity.</p>	<p>Closure of OD A/c:</p> <p>(i) The closure of OD account on maturity or end of term of TDR/ STDR/eTDR/ eSTDR will be done by the Home Branch. A SMS to the borrower will be sent to this effect one week before the account is due to be closed and Home Branch will be provided with a Report one week in advance and on date when the account will be due for closure.</p> <p>(ii) Before maturity of deposit, closure of account will be done on request by the Home Branch.</p>
<p>Mandate for automatic rollover of the TDR/eTDR/STDR/eSTDR continues with automatic rollover of the loan account.</p>	<p>Mandate for rollover of the TDR/ STDR/eTDR/eSTDR given at the time of opening the deposit account will be treated as cancelled if the OD account is not closed on or before the loan Tenure.</p>
<p>Disbursement: As applicable in other OD account.</p>	<p>Disbursement: OD A/c will be opened in the INB/YONO itself and withdrawal/transfer of fund from this account can be made either through Cheque Book (A request for same is required to be made by customer through INB or through YONO) or through INB/ YONO platform itself.</p>
<p>Availability: During Branch working hours.</p>	<p>Availability: The online opening of Overdraft facility will be available between 08:00 HRS IST and 20:00 HRS IST.</p>

LOAN AGAINST DOMESTIC DEPOSITS/ NRE/NRO/FCNR (B) /FCNB PREMIUM DEPOSITS ROLL OUT OF NPA FUNCTIONALITY (902- ARREAR CONDITION)

- ❖ Under this new functionality, the CBS will track these loan accounts for NPA on the logic that, “as and when the outstanding and accrued interest on loan amount exceeds principal and interest accrued on DOMESTIC/NRE/NRO/FCNR deposit, the loan account will be classified as NPA”.
- ❖ The process of down gradation of loan account to SMA 0,1,2 is not applicable in cases of loan against FCNR(B) deposits, but once the outstanding exceeds the collateral value, loan account will be directly classified as NPA.
- ❖ New collateral type and subtype, as detailed below, are created for loan against FCNR(B). Now onward, branches must open new accounts only with new collateral type and subtype.

Loan Description	Collateral Type	Collateral Subtype	Remarks
Loan in Indian Rupees	12 - Bank Deposit	07: INR Loan against FC Deposit.	Collateral value to be given in respective currency only (Not to be converted to INR).
Loan in Foreign Currency.	12 - Bank Deposit	08: FC Loans against FC Deposit.	

“It is further to mention that, while creating/amending the collateral in CBS, the process needs to be completed by authorisation of collateral security.”

Product codes to be used while opening loan against deposits:

S. No	Product Code	Product description
1	60507001	OD Bank's Deposits PER
2	63507001	D L Bank Deposit PER
3	60597001	OD Bank Deposits STAFF
4	63597001	D L Bank Deposits STAFF
5	60507003	OD AGNST 3rdPRTY BNKDPST PER
6	63517002	D L Bank FRTD Deposit PER
7	60507010	OD ag Deposits Concessionary Rol
8	63507010	DL ag Deposits Concessionary Rol
9	63517001	DL AGNST 3rdPARTY BNKDPST
10	70026054	OD Bank's FRTD PER
11	60548101	OD-PER FCNR DEPT – THIRD PARYT
12	63508031	DL-NRI FCNR(B) DEP -EUR
13	63508021	DL-NRI FCNR(B) DEP -GBP
14	63508011	DL-NRI FCNR(B) DEP -USD
15	65512048	OD FCNB SELF (0104) PER JAN

LOAN AGAINST THIRD PARTY DEPOSITS

At the Bank level, few frauds have been perpetrated in loans against third party Bank deposits. Based on the Risk identified in the processing of loan against Third Party Deposits, we have prepared a Standard Operating Procedure. It will help operating functionaries to follow Bank's instructions and will also guide the monitoring & supervising of these loans.

1. Purpose:

Facility of loans **in INR**, in India, to third party resident individuals/ firms/ companies in India **against** the deposits held by Resident India /NRI customers in their domestic/ NRE/ NRO/ FCNR(B) deposit accounts in individual capacity. (* **Non-personal deposits are not eligible for third party loans**)

2. Prerequisites:

The following conditions will apply in case of loan sanctioned against third party deposits:

In case of domestic Deposits:

- a) Third Party Loan will be disbursed by Home Branches only, where deposits are held.
- b) Execution of documents for the third-party loan must be done in person at home branch along with the depositor. Further, explicit concurrence of the account holder should be obtained for loan to third party along with other security documents.
- c) Loan will be disbursed only to third parties maintaining KYC compliant account with the Bank. In no case, loan disbursement will be made to third party's account maintained at other banks.
- d) SMS/email alert will be sent by the system to the depositors on marking lien against Deposits offered as security.
- e) In case of loan against bulk deposits, on receipt of administrative clearance, loan to third parties will be sanctioned by the competent authority as per the delegation of Financial Powers for Advances against 100% Cash Margin/ Specified Securities.
- f) Compliance Officer at Controlling Office (CM-GB/CM-CS) will verify the documents related to Bulk Deposits and loans granted against Bulk deposits, at the time of visit to the Branch.
- g) Loan shall not be granted for re-lending or carrying on agriculture / plantation activities or investment in real estate business.
- h) In case of loan against deposits with periodic interest pay out, a declaration to be obtained from the depositor to deposit the future monthly/quarterly /half yearly / yearly interest into the demand loan / overdraft accounts to maintain the required margin during the currency of the loan.
- i) In case where the third-party beneficiary is a non-individual entity, the loan proposal will be processed as per the extant guidelines issued for the said classification of beneficiary customer. The loan will also be classified as per the segment of the beneficiary customer.

j) Term deposits in the name of Govt officials / Department issued at the request of contractors / traders, etc. for security deposit purposes are not eligible for such loans.

In case of NRE/FCNR(B) Deposits:

a) In case, NRIs are unable to visit home branch for documentation, execution/signing documents to be done in the presence of officials at our foreign offices or with consular attestations of Indian Embassy only. The attesting authorities must certify that the customers have signed the documents in their presence.

- In all the cases where the documents are signed in the Indian Embassy abroad, the verification has to be obtained from the concerned embassy by forwarding scanned copy of documents through email confirmation. The confirmation can also make through the personal call on the official number of the concerned embassy in case of urgency which may be followed by the confirmation through email.

The respective details of the Embassy and consulates is available at

[**Embassy & Consulates | National Portal of India**](#)

<https://www.india.gov.in/topics/foreign-affairs/embassy-consulates>

- Documents executed in the presence of Indian Embassy officials, already are to be submitted to the Stamp authorities in India for payment of stamp duty after it reaches India.

b) Powers of Attorney holders will not be allowed to sign on behalf of the NRI customers in case of third-party loan against NRI deposits.

c) The facility of premature withdrawal of deposits shall not be available where loans against such deposits are availed of.

d) Loan shall not be granted for re-lending or carrying on agriculture / plantation activities or investment in real estate business.

3. Procedure:

The process of loan account opening is same as in case the loan against self-deposits.

- Loan proposals to be processed invariably through LOS only. (Except in case of loan against FCNR(B) deposits).
- Product codes to be used while processing the loan as under:

Product Code	Product Description
6351-7001	DL - AGNST 3rdPARTY BNKDPST
6050-7003	OD - AGNST 3rdPRTY BNKDPST PER
6054-8101	OD - FCNB loans Third Party

- Documents to be obtained during the processing of loan:
 - ✓ Loan application form (same as applicable for loan against own deposit).
 - ✓ DP note and DP delivery letter.
 - ✓ Loan agreement – Specified securities (To be stamped as an agreement in accordance with the Stamp Act in force in the State in which this document is executed and not to be attested).
 - ✓ Arrangement Letter.

- In CBS, while creating collateral, select Collateral type -12 and Sub-type – 05 (Loan against Third Part Deposits).
- Margin requirement:

Product	Margin Requirement													
DL/OD in INR against FCNR(B) /FCNB Premium Deposit	<p>Keeping in view the substantial difference in Rate of Interest (ROI) on deposit and ROI on loan, margin will be as under:</p> <table border="1"> <thead> <tr> <th>Residual maturity period of Deposit:</th><th>Margin</th></tr> </thead> <tbody> <tr> <td>upto 1- year</td><td>10%</td></tr> <tr> <td>upto 2- years</td><td>20%</td></tr> <tr> <td>upto 3- years</td><td>30%</td></tr> <tr> <td>upto 4- years</td><td>40%</td></tr> <tr> <td>upto 5- years</td><td>50%</td></tr> </tbody> </table>		Residual maturity period of Deposit:	Margin	upto 1- year	10%	upto 2- years	20%	upto 3- years	30%	upto 4- years	40%	upto 5- years	50%
Residual maturity period of Deposit:	Margin													
upto 1- year	10%													
upto 2- years	20%													
upto 3- years	30%													
upto 4- years	40%													
upto 5- years	50%													
	<ul style="list-style-type: none"> • RALOO Rate to be used for arriving at the eligibility of loan amount. The conversion rate will be lower of the rate prevailing on date of sanction of loan and date of opening of loan account in CBS (The limit should be set up on the date of opening of loan account in CBS). 													
DL in Foreign Currency against FCNR (B) (in USD, GBP, EURO) Deposit.	<table border="1"> <thead> <tr> <th>Residual maturity period of Deposit:</th><th>Margin</th></tr> </thead> <tbody> <tr> <td>upto 3- years</td><td>10%</td></tr> <tr> <td>Above 3-Years and upto 5-years</td><td>15%</td></tr> </tbody> </table>		Residual maturity period of Deposit:	Margin	upto 3- years	10%	Above 3-Years and upto 5-years	15%						
Residual maturity period of Deposit:	Margin													
upto 3- years	10%													
Above 3-Years and upto 5-years	15%													
Product	Margin Requirement													
DL/OD against Time Deposit in INR (For Domestic / NRE/NRO Time Deposit).	<ul style="list-style-type: none"> • 5% Margin in case the residual tenure of Time Deposit is up to 36 months, as on the date of availing of loan. • 10% Margin in case the residual tenure of Time Deposit is more than 36 months and up to 60 months as on the date of availing of loan. • 15% Margin in case the residual tenure of Time Deposit is more than 60 months as on the date of availing of loan. 													

Delegation of Financial powers in case of Bulk deposits:

- In case of Bulk Deposit (Domestic/NRE/NRO/FCNR) in the name of Individual(s), Current Account Overdraft/ Demand Loan may be granted to third party after getting administrative clearance (vide Circular No. CCO/CPPD-ADV/46/26016-17 dated 29.06.2016) as under:

Branches under	Administrative clearance from
R&DB	DGM (B&O)
FIMM	GM (FIMM)
CCG/CAG	Controller of the Branch
SARG	GM (Operations)

On receipt of administrative clearance, loan to third parties will be sanctioned by the competent authority as per the Delegation of Financial Powers for Advances against 100% Cash Margin/ Specified Securities. A copy of administrative clearance must be kept along with the security documents.

LOAN AGAINST NSC/KVP

Eligibility:

All branches can grant loans to the customers maintaining satisfactorily conducted accounts, against the security of the National Savings Certificates VIII issue (NSCs) and Kisan Vikas Patras (KVPs), both of which are categorised as “specified security” in terms of 61(d) (i) of State Bank of India General Regulations.

Facility:

Demand Loan / Overdraft

Margin:

Public: 40% of face value plus accrued interest of NSC VIII issue/KVPs.

For Staff / Bank's pensioners: 15% of face value plus accrued interest of NSC VIII issue/KVPs. (The margin is lower as a special case on condition that interest should be serviced by the staff promptly and regularly and should be ensured that at no point of time the outstanding exceeds the maturity value of the security.)

Loan Amount:

Public: 60% of Face value together with accrued interest for public. No ceiling on maximum loan amount provided stipulated margin is maintained.

For Staff / Bank's pensioners: 85% of Face value together with accrued interest for staff. No ceiling on maximum loan amount, provided stipulated margin is maintained.

Security:

The NSCs/KVPs are required to be transferred by the issuing Post Office as a security in the name of the bank. Discharge of the holder on the reverse of NSCs/KVPs is not considered necessary.

Rate of Interest:

Interest will be recovered at the rates stipulated by Bank from time to time. Presently, 4.65% over 1- year MCLR (presently 1- year MCLR is 7.00%).

For Staff / Bank's pensioners:

For loans upto 3 years: 2.00% above 1-Year MCLR (presently 1- year MCLR is 7.00%)
For loan above 3 years: 2.25% above 1-Year MCLR (presently 1- year MCLR is 7.00%)

- **Family members of Staff/Retired staff are not eligible for staff loan benefits.**

Documents:

- Simple application tendering the NSCs/KVPs and undertaking to repay as per Bank's terms and conditions.
- D.P. Note and D.P. Note Take Delivery Letter
- Security Delivery Letter
- Revised loan agreement – specified securities (PL-65)

Repayment:

A suitable repayment schedule is to be fixed. Maximum repayment should be coinciding with terms of maturity of NSC/KVP. At no point of time, the outstanding in loan a/c should exceed the maturity value of the certificates pledged. [Otherwise, a/c will be treated as NPA].

Premature encashment of KVPs:

Rule No. 12 of KVP Rules, 1988 deals with encashment at maturity. As per Rule No. 13 which deals with premature encashment: (i) notwithstanding anything contained in Rule 12, certificates may be prematurely encashed any time in any of the following circumstances:

On the death of the sole holder or any of the holders in the case of joint holder, on forfeiture by a pledgee being a Gazetted Govt. Officer. When ordered by a court of law. After 2½ years from date of the KVP, it is eligible for premature encashment. In such cases, the loan a/c can be liquidated from out of the proceeds of the KVPs if requested by the borrower.

Premature encashment of NSCs:

One of the distinguishing features of NSC is that it has a pre-determined lock-in period. Thus, any investment in NSC cannot be allowed to be withdrawn before the maturity date. However, an investor in a savings certificate can withdraw his investments before the maturity period, only in the following specified circumstances-

On the death of the holder of the certificate or the holders in case of joint holders

- On order of the court to do so
- On forfeiture by a pledgee. The pledgee has to be an authorized Gazetted Government officer and forfeiture should conform to the rules.

It is also important to note that, if a pre-mature withdrawal is done within 1 year from the date of issue of the certificate, then the encashment will be done only at the face value. No interest shall be allowed to the investor before a period of 1 year.

If a pre-mature withdrawal is made after 1 year from the date of issue of the certificate, then the investor shall be eligible to receive interest. But the encashment of the certificate shall be made at a discount.

LOAN AGAINST NSCs/KVPs INSTANCES OF NON-ADHERING TO BANK'S LAID DOWN INSTRUCTIONS

We reiterate Bank's laid down instructions for your ready reference.

- ❖ The Form prescribed by the Postal Department for transferring the NSCs/KVPs in the Bank's name should be duly completed, signed, and submitted along with the NSCs/KVPs to the Post Office which has issued the said scrips.
- ❖ On receipt, the Post Office will tally the holder's signature on the Transfer Form with their signature on their records and thereafter super scribe each certificate on its face with the words 'transferred as security in favour of State Bank of India' under the signature and seal of the authorised official of the Post Office and return the Transfer Form along with NSCs/KVPs to the concerned branch after making appropriate remarks in their books. i.e., Noting of transfer of Security in favour of the Bank has to be done on the face of the NSCs/KVPs.
- ❖ KVPs of denomination of Rs.50,000/- & above and NSCs of denomination of Rs. 10000/- & above are issued only on special permission as advised by the Postal Department.
- ❖ In the light of the above, it is pertinent to verify that wherever loan against NSCs/KVPs have been extended, Bank's laid down instructions have been meticulously complied in addition to lien in favour of the Bank has been properly registered with the issuing Post Office.

Product codes to be used to open NSC/KVP:

PRODCODE	PRODUCT_NAME
65517006	MC-OD-NSC-KVP NOV-2017
64514014	DL NSC/KVP
63597201	D L NSC/KVP STAFF
60597201	OD NSC/KVP STAFF
63597301	DL KVP STAFF
60597301	OD KVP STAFF

LOANS AGAINST LIFE INSURANCE POLICIES

Eligibility Criteria:

All branches can grant loans to the customers maintaining satisfactorily conducted accounts, against the security of the life insurance policies issued by (a) Life Insurance Corporation of India (b) Department of Post Offices (c) SBI Life Insurance Company Ltd., provided the following conditions are fulfilled:

- The age of the insured should have been admitted by the authority issuing the policy.
- The policy has not been issued under the Married Women's Property Act, 1874. Under the Married Women's Property Act, the benefits of the insurance policy held in the name of the husband, upon his death or on maturity, will accrue to the beneficiaries under the Trust. Thus, such a policy is not the property of the husband and therefore should not be accepted as security.
- The policy stands in the name of the borrower only.
- The policy is in force and the insurance premium has been paid upto date.

Type of Facility:

Demand Loan or Overdraft.

Margin:

Loan tenure upto 12 months - 15% Margin

Loan tenure upto 24 months - 25% Margin

Loan tenure upto 36 months - 30% Margin

Maximum Loan Amount:

The amount of advance should not exceed 85% (depends on the loan tenure mentioned above) of the present surrender value of the policy, which should be ascertained from the respective Insurance Company and recorded in the miscellaneous security register. [Surrender Value is the amount payable by the insurance company on premature payment of the policy]

Security:

Assignment of Policy:

An assignment denotes transfer of debt or any beneficial interest in a movable property. Under the Transfer of Property Act, assignment means transfer of an actionable claim. The person who assigns the right/property/debt is called the Assignor and the person to whom the right/property/debt is transferred is called the Assignee.

The policy should be assigned in favour of the Bank. Except for a nominee who acquires no interest in a policy during the lifetime of the assured, all the parties interested in the policy must assign it to the Bank. Where there is more than one such party to a policy, the parties may assign it either jointly or through a chain of assignments. As a separate document of assignment attracts stamp duty, the assignment (or assignments) should preferably be on

the policy itself and must be sent to the LIC/Post Office/SBI Life, as the case may be, immediately for registration and return.

The form of the assignment should be on the following lines:

I, the within named _____ for valuable consideration hereby assign and transfer all my right, title, and interest in the within written policy and in the moneys thereby secure to the State Bank of India and its successor and assigns and declare that the receipt of the said Bank or its successors or assigns shall be a good and valid discharge for all moneys under the policy.

Dated at _____ this day of _____ (in words)
Witness Occupation.

Address (Signature of Assignor).

A notice, in duplicate, signed by the Assignor (i.e., borrower) and the Assignee (i.e., Bank), requesting the LIC/Post Office/SBI Life to return one copy there of duly acknowledged by it under its seal, should be sent alongwith the assignment. The acknowledgement copy of the notice should be retained along with the assigned policy, when received.

At the time of notifying the Bank's interest in the policy, the LIC/Post Office/SBI Life, as the case may be, should be asked.

- to advise the present surrender value of the policy.
- to confirm that no other assignment is registered with them, and the policy is unencumbered.
- to confirm that the premium has been paid upto date.
- to confirm that the age of the insured is admitted.

The policy received after registering the assignment in Bank's favour together with the confirmation on the above points should be kept properly filed after recording all the details in the Miscellaneous Security Register.

Rate of Interest:

Interest will be recovered at the rates stipulated by Bank from time to time.
Presently, 4.65% over 1- year MCLR (presently 1- year MCLR is 7.00%).

For Staff / Bank's pensioners: 1.00% above the prevailing interest rate payable to public for 60 months TDR/STDR.

- **Family members of Staff/Retired staff are not eligible for staff loan benefits.**

Documentation:

- Simple Application form undertaking to repay the loan as per terms and conditions of the Bank.
- DP note & DP Note Take Delivery Letter.
- Security delivery letter (COS 54).
- Life Insurance policy duly assigned in favor of the Bank.

Repayment:

Loans should be repaid within 3 years.

Miscellaneous:

- Overdrafts may be granted against an Endowment Policy, Anticipated Endowment Policy or a Money Back Policy.
- Advances against whole life policies should be discouraged.
- Insurance premium should, as far as possible, be paid by the Bank understanding instructions from the borrowers and the premium receipts kept attached to the assigned policy.

ADVANCES AGAINST INSURANCE POLICIES OF SBI LIFE

- The above instructions will also apply in general terms to life insurance policies issued by the Posts & Telegraphs Dept. and SBI Life. This will provide promotional support to products of SBI Life, which is our joint venture company.

Product codes to be used to open for Loan against Insurance policies:

PRODCODE	PRODUCT_NAME
65517007	OD -Loan against Insurance policies
64514004	DL- against insurance policies Staff
60597501	OD-loan Ag insurance policy Staff
63507311	DL-Loan Ag insurance policy

LOAN AGAINST SHARES

1. PURPOSE

For meeting contingencies and needs of personal nature and for subscribing to rights or new issue of shares against security of existing shares. [Max. Rs.10 lacs for subscribing to IPOs] However, the loans under the scheme are not to be sanctioned for

- i) Speculative purposes
- ii) Inter-corporate investments
- iii) Acquiring controlling interest in company/companies
- iv) Loan against our own SBI shares

The scheme envisages financing to customers against the security of NIFTY-500/S&P BSE 500 scrips (The approved list of scrips is updated on monthly basis. Stock valuation is considered only if the stock is approved), which qualifies the parameters set for acceptance of shares as security. It is a competitive product designed for people who need urgent cash but do not want to sell or liquidate their holding of shares. They can leverage their investments for availing loans to meet unforeseen expenses.

2. ELIGIBILITY:

a. Individual customers with the following criteria:

- i) KYC compliant account
- ii) Having Demat account with SBI CAP Securities Ltd (SSL).

Loan can be sanctioned to individual as well as joint Demat account holders. In case the Demat account is held in joint name.

- First holder will apply for the loan online.
- All holders have to sign Pledge Request Form. Provision for obtaining the signatures of Second and Third (if any) applicant has been made in the Pledge Request Form
- The loan account will be opened in the First holder's name.
- The customer(s), otherwise eligible for loan, should have an active mobile number and e-mail id.

The loan will be sanctioned against the security of scrips held in the Demat account maintained with SBI CAP Securities.

3. NATURE OF FACILITY

Overdraft only

4. LOAN AMOUNT

Minimum: Rs. 50,000/-

Maximum: Maximum loan is Rs.20.00 lakhs,

For subscribing to IPOs maximum loan is Rs.10.00 lakhs

5. SECURITY

Pledge of Demat Shares

6. MARGIN

50% of the prevailing Stock Exchange market price of shares as calculated based on the prevailing market price as on the date and time of loan sanction.

7. RATE OF INTEREST

2.50% above 1-Year MCLR 7.00% (at Present)

Effective Rate of Interest is 9.50% (at Present)

(Fixed for all tenures with no reset clause).

8. PROCESSING FEE

0.75% of the loan amount sanctioned + applicable GST subject to minimum Rs. 1,000/- (non-refundable)

9. REPAYMENT

Overdraft: It is a running account with a tenor of maximum 30 months. Review Charges will only be applicable for Overdraft Loan which will be Rs.1000/- + GST

10. PREPAYMENT PENALTY

No prepayment penalty

11. PENAL INTEREST RATE

If the EMI / Instalment(s) is not credited in the loan account of the borrower on due date, the undernoted charges will be recovered from the borrower:

- i) Rs. 500.00 + applicable taxes for non-credit of EMI/ Instalment (s) on or before the due date
- ii) 2% per month penal interest on overdue instalment for the overdue period

12. DOCUMENTATION

- i) Simplified Application form to be generated through online portal
- ii) Loan Agreement – Loan against Shares (to be generated through LOS)
- iii) Arrangement letter (to be generated through LOS)

13. COVERAGE

- Customer of any SBI Branch can apply for the loan. The processing and sanction of loan will be done by a single nodal Branch i.e., Specialized Securities Finance Branch, Andheri East, Mumbai - 400093
(Branch Code: 18225). The loan will in the Books of the nodal Branch.

14. PARAMETERS FOR ACCEPTANCE OF SHARES AS SECURITY

- i. The equity shares offered as security should be fully paid. No advance will be granted against partly paid shares / debentures.

- ii. Preference shares will not be accepted as security.
- iii. No advance will be granted against SBI shares, as the same is strictly prohibited under Section 20 (1) (a) of the Banking Regulation Act, 1949.
- iv. The shares offered as security must be in Demat form.
- v. The shares offered should be of a company listed in CNX 500, except those of SBI.
- vi. Stocks only in "EQ" series should be accepted.
- vii. Ratio of Market Price to Face Value of the stock should be greater than or equal to 2.5.
- viii. Total market capitalization of the stock (latest available on the day of refreshing the eligible list of scrips) should be greater than or equal to Rs. 500 Crores.
- ix. Median traded value (Amount in Rs) of the Stock in NSE & BSE (taken together) per day for last 60 trading sessions should be greater than or equal to Rs. 1 Crore.
- x. The stock should be traded on 100% of the days in NSE & BSE (taken together) in last 60 trading sessions.
- xi. Minimum traded value (Amount in Rs) of the Stock in NSE & BSE (taken together) per day for last 60 trading sessions should be greater than or equal to Rs. 50 Lacs.
- xii. Margin Rate (VaR* Margin % + Extreme Loss Margin %) of the stock should be less than or equal to 20%. *VaR→ Value at Risk
- xiii. Circuit Limit/Filter (i.e., Price Band Percent) of the stock should be equal to 20 or 'No Price Band'.

15. CATEGORY OF SCRIPTS & MAXIMUM PROPOSITION OF A PLEDGED SCRIPT

Category	Criteria
Single	Approved list of scripts included in NIFTY 100
Multiple	Approved list of scripts not included in NIFTY 100

Maximum proposition of a pledged script

Category	Maximum proposition of a pledged scrip at the time of sanction/swap/part unpledged.
Single	100%
Multiple	60%

16. PARTIAL RELEASE & LIQUIDATION OF SHARES

- i. Partial release of shares (scrip wise) is allowed, subject to fulfilment of margin requirements as per scheme.
- ii. Partial liquidation of shares by the Bank on account of customer defaults in repayments/dues is allowed.

17. SWAPPING OF SHARES

Swapping of shares is allowed.

The customer will send request (Pledge/Hypothecation Formats as per NSDL i.e. FORM 28 & CDSL i.e. Annexure) for swapping for shares with following details:

- i) Details of shares to be released/unpledged.
- ii) Details of shares to be pledged.
- iii) Scanned copy of the Pledge Request Form. Pledge of new scrips to be done prior to de-pledging of existing scrips.

18. PROCESS FLOW FOR APPLICANTS

- a) Customer will apply online for Loan against Shares (LAS) facility through:
 - (i) Our website www.sbi.co.in. Path: Personal -> Loans -> Loans against Securities-> Loan against Shares.
 - (ii) SBI Internet Banking www.online.sbi.com The link 'Loan against Shares' is available on the home page of Internet Banking
- b) The Applicant Reference Number (ARN) will be sent to the applicant on successful submission of the Loan application. The applicant will be advised to refer this ARN for all future requirements.
- c) The list of CNX 500 scrips eligible as per our rules will be validated and uploaded as a link on the LAS webpage daily.
- d) Customer after filling and submitting the online Loan Application form will take a printout of the online generated Application Form and paste his/her recent photograph at the appropriate place and sign the same with date and place. He/ she will take the print of the Pledge Request Form which is available on the site after it has been filled up and sign the same. He/she will scan the duly signed Application form and Pledge Request Form (PRF) and email it to Nodal Branch email id (sbi.18225@sbi.co.in). The hard copy of the above-mentioned documents is also required to be sent to the Nodal Branch as disbursement of loan will be possible only after receiving the hard and soft copy of these documents.
- e) Once the Loan is sanctioned, the applicant will be advised through an SMS and email to accept the Terms & Conditions of Loan Agreement online by logging on the website.

19. PROCESS FLOW FOR NODAL BRANCH

- a) Nodal Branch on receiving the scanned and signed copy of the application form from the customer along with Pledge Request Form (PRF) and Income Proof will first take clearance from Global Markets Unit and then send a request for pledging of shares to SSL. After getting Pledge Sequence Number (PSN) from SSL, the nodal branch will sanction the loan in LOS. The Nodal Branch will pay the stamp duty applicable for the Loan Agreement document by debiting the customer's Deposit account and execute the Loan agreement on behalf of the Bank.
- b) On sanction of loan, the Nodal Branch will immediately convey the particulars of sanction to the DGM (Compliance), Global Markets who would then take note of the exposure in their books against specific companies, shares of whom have been included as primary security for the loan.
- c) The Nodal Branch shall also advise Global Markets the particulars of equity shares released from security upon liquidation of the loan.

20. FOLLOW UP OF LOAN ACCOUNTS

The follow up of advances will be taken care by the Nodal Branch on regular basis. In case of the following eventualities, SMS and e-mail will be sent to the borrowers as detailed here under:

1st Alert:

If Margin falls below 37.50%, an SMS alert will be sent to borrower with copy to BM of the Nodal Branch. This will be followed by e-mail to borrower.

- a) 1st case: Borrower takes action and replenishes the margin through fund deposit and continues the account.
- b) 2nd case: If no Action to replenish the margin is taken by the Borrower, 2nd alert as under will be sent.

2nd Alert:

- i) If Margin further falls to below 25%, another SMS alert will be sent to borrower. This will be followed by an email to the borrower that his securities will be squared off without any further intimations.
- ii) SSL to invoke either full or partial pledge to liquidate outstanding with interest.
- iii) Depository to process pledge invocation request.
- iv) SSL to sell securities. Their brokerages and charges will be deducted.
- v) Credit of Sale of Proceeds by SSL to individual loan account of the Borrower.
- vi) SSL to intimate the Nodal Branch and the Borrower.

21. DELEGATION OF FINANCIAL POWERS

Category	Revised Delegation of Powers for sanctioning DL/OD against 100% cash margin and other specified securities w.e.f. 06.03.20 (Rs. In Cr)
CCSC	NA
CGM	NA
GM(CAG-Branch/MCRO/Network)	FULL
DGM (Branch/Module/CAG/MCG)	250
AGM (Branch/Region/CAG/MCG)	100
Chief Manager	0.75
Manager	0.50
Dy. Manager	0.30
Asstt Manager	0.20
Asstt Manager (SAB)	0.10

The officials concerned should strictly adhere to the delegation of powers as detailed above.

In view of the high value frauds reported to FMC and measures suggested by ORMD, please note:

- a) That debit transactions should be raised in OD account through cheque mode only.
- b) No transaction should be allowed against request letter except only in exceptional circumstances, after having thoroughly satisfied about the genuineness of the letter and verification of issuance of letter from the customer himself/herself.
- c) Disbursements from OD should invariably be routed through customer's primary account (CA, SB or CC). In other words, proceeds of the loan account should invariably be credited to the customer's primary account and debits thereafter to take place as per customer's mandate. This would minimize/eliminate the chances of fraudulent debits besides binding the customer as being aware of the transaction.

22. ADMINISTRATIVE CLEARANCE – PROCESS AUTOMATION

- i) Please refer to e-Circular No- CCO/CPPD-ADV/99/2011-12 dated 03.01.2012 in terms of which, among others, the compliances required under Section 19 (2) of the Banking Regulation Act, 1949 related to financing against equity shares and equity related instruments were communicated.
- ii) In terms of Section 19(2) of the Banking Regulation Act, 1949, no banking company shall hold shares in any company, whether as pledgee, mortgage or absolute owner, of an amount exceeding 30 percent of the paid up share capital of that company or 30 percent of its own paid up share capital and reserves, whichever is less.
- iii) In this connection, we reiterate that the Operating Units/ Branches, where equity shares are being pledged as security (primary/collateral), should obtain prior administrative clearance in all cases from the Global Markets Department, Corporate Centre, Mumbai, before disbursement of the advance. The request for seeking prior clearance, was earlier required to be made on Fax No. 022-22742699, 22822487 or mailed to audit.gmcc@sbi.co.in or dgmcompliance.glm@sbi.co.in.
- iv) The process of obtaining prior administrative clearance has now been automated in LLMS and is available for use by the branches w.e.f. 14.08.2018. A process flow for seeking administrative clearance for accepting equity shares as security/cancellation of existing pledge as per below mentioned process.

Process Flow for obtaining administrative clearance in LLMS, in all cases from the Global Markets Department, Corporate Centre, Mumbai, where equity shares are being pledged as security (Primary/Collateral).

Applying for Loan/ Pledge of Shares as Security (Primary/Collateral)

- a) Retail customer applies for a loan by pledging shares on homepage of onlinesbi.com -> Services -> Personal Internet Banking -> Loans against shares. The application for loan against shares can be made by customers having their Demat account with SBI Cap Securities Limited (SSL) only. The customer also informs the Specialized Securities Finance Branch (SSFB), Mumbai (18225) through email to sbi.18225@sbi.co.in, about the request made for loan against shares.
- b) At branch, there are four levels of users viz local admin, Credit Support Officer- PB, Relationship Manager-PB & Branch Head. At Global Markets also there are four level of users viz. local admin, CM- GMU, AGM- GMU & DGM- GMU. Single user can have multiple roles. For issues with user creation/ administration, branch can contact LLMS department.
- c) The request will be escalated to Nodal Branch (Specialized Securities Finance Branch) level by Credit Support Officer-PB and to Global Markets Unit (GMU) through Relationship Manager-PB & Branch Head of the branch. At Global Markets, the request will be processed by CM-Compliance, who submits it to the AGM-Compliance who in turn recommends it to DGM-Compliance for final sanction. When officer at Compliance section, GMU logins into LLMS he will see a default dashboard which will show all the requests raised during the day by LLMS by all the branches. There will be ACCEPT & REJECT button for each share. On clicking "Accept" the system will generate a unique administrative approval id and that entry will be updated in the database with loan status "Approved". Once the request is sanctioned, a sanction letter is generated by the system, which is being uploaded in the system by desk officer, GMU after getting it signed by appropriate authority. This

sanction letter can be downloaded by the branch and kept on record for documentation/ audit purpose.

d) For Corporate/ Non-corporate Customers where loans are sanctioned against the collateral security of equity shares the request has to be raised in LLMS by logging in with the existing LLMS id and password. While filling security details for administrative approval some fields would automatically get populated from the database. For Public Companies once the Branch personnel enters ISIN, fields like name of the company, paid up capital, face value of each share and market value will automatically get populated from the LLMS database. This will help to avoid duplicate company names e.g. For Reliance Industries Limited someone can write Reliance Industries Ltd while some can write RIL. For public companies, which are not available in the database there will be option “Others” in the ISIN column using which a new company can be added. For companies, which don't have ISIN, name of the company will list all the private companies which are available in the LLMS database from which the Branch Manager can chose the company. For private companies, which are not available in the database there will be option “Others” in the name of the company column using which a new company can be added. This company name and the relevant data needs to be fed into the database once approval is raised. Once all the data of all stocks is entered the branch manager clicks SUBMIT to create the request.

Cancellation/closing for loan or un-pledging of shares:

a) Reversal requests in case of closure of accounts by the borrowers will be similar to the approval request made by the Nodal Branch and the same will be approved by GMU. In LLMS there is a screen under Customer tab, using which Branch Manager can request for reversal/ mark off or modify the current shares.

b) If the number of shares is modified, then fresh administrative approval is to be taken for any new addition of shares with the process as similar for any new loan request explained earlier. If number of shares is partly getting reduced, then the effect of those number of shares needs to be nullified in the database. For those new entries for these stocks in the existing database is to be added by entering the number of shares in negative.

Reference

- Reserve Bank of India Circular No: RBI/2011-12/297 DBOD. FSD. BC.62/24.01.001/2011-12 dated December 12, 2011.
- Our Circular No. CCO/CPPD-ADV/99/2011-12 dated 03.01.2012.

23. PRODUCT CODES:

S.No.	Product Description	Product Code
1	MC-ONLINE OD AGNST SHARES	6551-4027

LOAN AGAINST MUTUAL FUND UNITS (Incl DAF)

1. PURPOSE:

Advances against the units will be purpose-oriented, considering the credit needs of the investor. They may be granted to individuals to meet contingencies and personal needs but not for subscribing to or boosting up the sales of another scheme of mutual funds, for the purchase of shares / debentures / bonds or speculative purposes.

The scheme covers short term advances to individuals against the collateral security of demat units of open-ended schemes of SBI Funds Management Ltd. (SBIFM), a subsidiary of SBI. Loans against the units of Tax Savings Funds should be given only after the lock in period of 3 years has expired.

2. ELIGIBILITY:

Individual(s) **over 18** years of age subject to following conditions:

NRIs are not eligible for LAMFU/DAF. (Policy in respect of NRIs will be separately advised.)

- Single/Joint holder(s) of SBI MF/DAF
- The Investor(s) should have an SB account of SBI.
- The SB account and MF should have identical name and PAN number.
- PAN is mandatory.

3. APPROVED SCRIPTS

The list of schemes is placed at [Annexure II](#).

4. AUTHORIZED BRANCHES

All Branches

5. LOAN LIMIT

Minimum: Rs 25000

Maximum: (a) Equity/DAF/ Hybrid/ ETF MF:

Physical/Electronic: Rs 10,00,000/-

Demat: Rs/ 20,00,000/- (Maximum permissible loan amount as per RBI)

(b) Debt/ FMP MF: Rs 5,00,00,000/-

- (Maximum limit is inclusive of all loans borrowed by the applicant/borrower against Shares & Securities held by them).
- (In case of Debt/ FMP MF, the deviation for Max Loan Limit will be available to Circle CGM as per Loan Policy Guidelines)

6. RATE OF INTEREST:

250 bps above 1-year MCLR (7.50%) i.e., Currently effective Rate of Interest 9.50% p.a. (Floating basis with 1 year reset period).

Discretionary powers for sanction of concession in pricing for LAMFU is as under:

Loan Amount	Approving Authority – NW GM
Above Rs. 50 L and upto Rs. 1 cr	Upto 10 bps
Above Rs. 1 cr and upto Rs. 2 cr	Upto 20 bps
Above Rs. 2 cr and upto Rs. 5 cr	Upto 30 bps

7. MARGIN

- (a) Equity/DAF/ Hybrid/ ETF MF: 50%
- (b) Debt/ FMP MF: 15%

8. PROCESSING FEE

0.75% of the Loan Amount + applicable GST
(Maximum: Rs 50,000 +applicable GST)

9. REPAYMENT

- Overdraft (Auto Renewal/Review every year) in case of LAMFU.
- Remaining maturity period of the DAF/FMP/Debt Funds.
- Interest to be serviced monthly and Principal to be serviced on or before the end of the loan tenure.

10. FACILITY TYPE

Overdraft (Cheque book, Debit-cum-ATM card, INB facility can be extended)

11. DELEGATION OF FINANCIAL POWERS

As per the Scheme of Delegation of Financial Powers for Term Loans to Individuals.

12. SECURITY

Lien on units of MF/DAF.

A. For Equity/ DAF/Hybrid/ ETF MF.

- **DEMAT/Physical/Electronic Units** of Open Ended as well as Close Ended Schemes of SBI MF.
- Loan against Tax Savings Fund as well as Closed Ended Scheme to be given only after the lock in period has expired.
- Loans to be sanctioned only against Units of MF Equity/DAF which are in Electronic/DEMAT form.
- Loan should **not** be sanctioned against the security of Gold ETF.

B. For Debt/ FMP MF

- Units of Open Ended as well as Close Ended Schemes of SBI MF (Both in DEMAT & NON-DEMAT)

Note: Loan against Tax Savings Fund as well as Closed Ended Scheme to be given only after the lock in period has expired.

13. DOCUMENTATION

Scrutiny and verification of KYC

- Check whether Photocopies are self-attested by the applicant and signature tallies with that on the application form.

- Copies of documents to be verified with original under the authentication of bank official.

Pre-Sanction

- Application Form (format as per Annexure: PL-37 of Chapter-F of Part 10 of e-Manual on Loans & Advances, Personal Banking Advances).
- Passport size photograph
- Proof of Identity
- / Proof of residence / Proof of official address (for other than employees)
- Proof of Income
- Shop and Establishment Certificate / Lease Deed / Telephone Bill.
- Latest Statement of Account issued by SBI Funds Management Ltd indicating details of units held.
- Investor request for Lien Marking (format as per Annexure LAMF-01)
- Declaration (format as per Annexure LAMF-04).
- Authorization Letter (format as per Annexure DAF-06)

Post Sanction

- Arrangement Letter (to be generated through LOS)
- DP Note and DP Note Delivery letter

14. LIEN MARKING

a. The branch shall request CAMS for Lien marking as detailed below for **LAMFU**:

- Click on the link placed under State Bank Times >> Departments 2 >> Personal Banking Business Unit>>> Personal Loans >> “Online Lien Portal for Loan Against Units of Mutual Fund”.
- Login with the user credentials
- Click on Lien Update -> Lien Marking.
- Select AMC Code as ‘SBI Mutual Fund’ and enter the Folio Number (as mentioned in the Investor Request for Lien Marking)
- Click on ‘Search’
- Validate the Investor Name and Select the Scheme Name (as mentioned in the Form) from the dropdown list.
- Click on ‘Next’.
- Select appropriate ‘Upload type’ and upload the scanned copy of the documents mentioned hereunder:
 - a) Investor Request for Lien Marking (format as per Annexure LAMF 01)
 - b) Letter titled Noting of Lien on the units issued by SBI Mutual Fund (format as per Annexure LAMF 02)
- Click on ‘Submit’ and the message reading ‘Lien marking is submitted successfully. Message ID is <8digit number>’ will be displayed.
- Specialized Securities Finance Branch (Branch Code: 18225) to be the “Admin User” for Online Lien Portal. Branches are advised to contact the “Admin User”, for any of the user related issues with regard to the portal, such as:
 - i). Updating user details, if any.
 - ii). Resetting/Regeneration of password for the Branch Users.
 - iii). Assisting Branches in any login related issues, etc.

Branch Address/Contact Details of Admin User:

Name: Specialized Securities Finance Branch (Branch Code: 18225), Address: 31 Mahal Industrial Estate, Mahakali Caves Road MIDC, Andheri, Mumbai – 400018.

Dist.: Mumbai,

State: Maharashtra.

Tel: 022 26870134

Email: sbi.18225@sbi.co.in.

- b. CAMS shall mark pledge of the said Mutual Fund units in favour of SBI with 'T+1 day' norm. CAMS will send letters to the Branch and the Borrower and also upload the scanned images of the letter in the respective message IDs and close the workflow.
- c. Branch shall access the Lien Portal one-day after raising request for marking lien (i.e. on T+1 basis), and check for the status of the request. Steps are detailed as under:
 - Click on the link & Login with the user credentials
 - Click on 'Report'
 - Select the appropriate dates, AMC as 'SBI Mutual Fund', Lien Type as 'All', Scheme as 'All' & click on 'Submit'.
 - Check for the Status of the relevant request.
 - If the status is 'Completed', the Branch can Process & Sanction the loan.
 - Download the scanned copy of the confirmation letter from the CAMS by clicking on the icon in 'Process Image' column.

MF/DAF Physical Form: 'Online Lien Marking' portal to be used by branches for raising the request for lien marking / removal.

MF/DAF Demat Form: Procedure for creating pledge over MF units held in demat form is as under

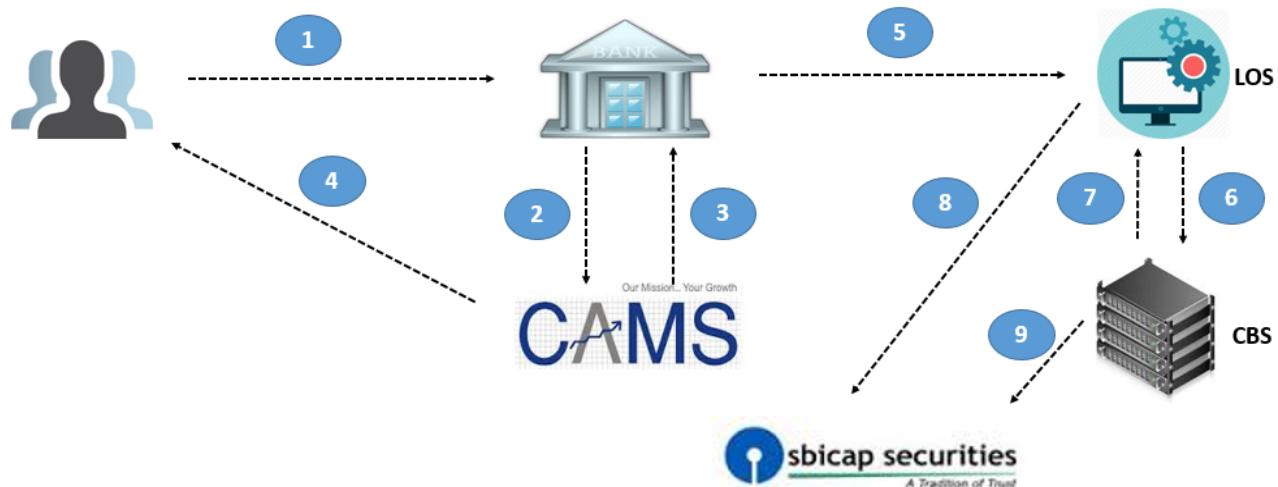
- i) The lending branch should open an account with the Bank's DP Unit (if not already opened).
- ii) The borrower should be advised DP ID and DP account number of the branch with instructions to authorize his DP to pledge the securities in the name of the lending branch. The borrower has to give these instructions to his DP in the format prescribed by his DP.
- iii) The lending branch should advise the Bank's DP Unit its consent to accept the specified securities as pledge.
- iv) The Pledge Advice received from the Bank's DP Unit should be kept along with the other loan documents.

15. SANCTIONING

- Upon the confirmation of successful lien marking in the lien portal, Branch processes and sanctions loan in LOS. Branches are advised to enter the correct Mobile Number and E-Mail ids of the customers in the LOS, invariably.
- Branches are advised to refer to the following authentic sites for latest "NAV" of the scheme:
 - (I) <https://www.sbmif.com>
 - (II) <https://www.amfiindia.com/net-asset-value>.

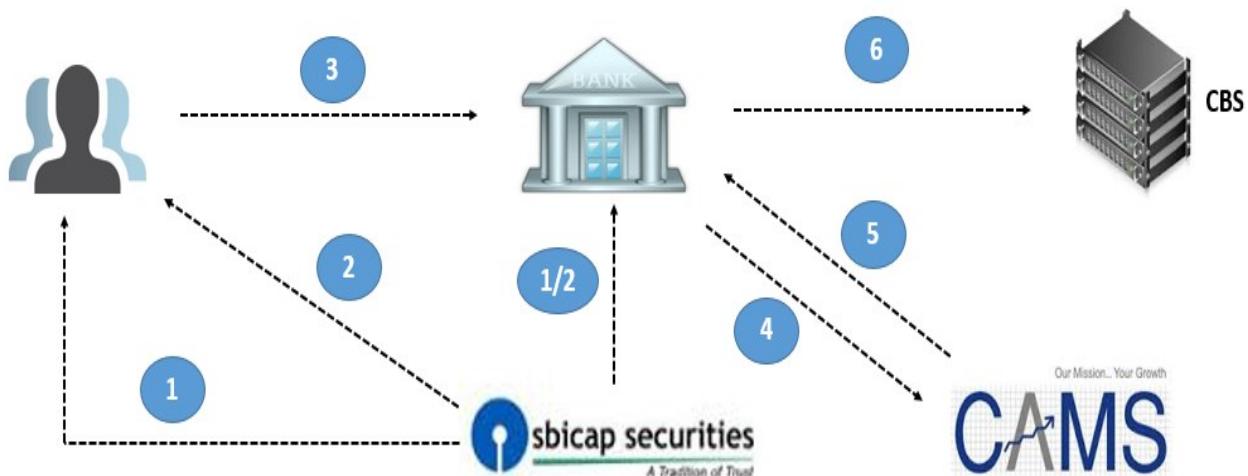
- LOS opens account in CBS.
- Arrangement Letter & DP Note and DP Note Delivery letter generated through LOS will be executed by the borrower.

(A) Process Flow for Sanction of LAMFU



- i) Customer approaches Branch for LAMF
- ii) Branch raises request for marking Lien in Online Lien Portal.
- iii) CAMS will mark lien and close the workflow in the Online Lien Portal.
- iv) CAMS inform the customer regarding lien marking.
- v) Branch processes and sanctions loan in LOS
- vi) LOS opens account in CBS
- vii) CBS reverts back with Account ID
- viii) CBS sends information at EOD to SSL for monitoring purpose
- ix) LOS sends information of Account opened at EOD to SSL for monitoring

(B) Process Flow for Monitoring of LAMFU



- 1) SBI Cap Securities (SSL) monitors all the account based on daily inputs from LOS, CBS and latest NAV of the mutual fund scheme.

- 2) In case the margin falls below stipulated level, SSL will send alert (SMS/email) to customer & the loan sanctioning branch.
- 3) In case the margin further falls, a 2nd alert will be sent by SSL to the customer for replenishing the margin & the loan sanctioning branch.
- 4) Customer approaches the Branch for replenishing the margin
- 5) In case the customer does not replenish the margin within the stipulated time, the loan sanctioning Branch to send request for invocation of lien to CAMS through the portal.
- 6) CAMS liquidate the securities and credits the proceedings to the Branch Account. CAMS confirm the same to the branch through the portal.
- 7) Branch closes the Loan account. Surplus, if any, to be transferred to Customer's SB Account

16. DELEGATION OF FINANCIAL POWERS

As per the Scheme of Delegation of Financial Powers for Term Loans to Individuals.

17. DISBURSEMENT

Cheque book, Debit-cum-ATM card, INB facility can be extended.

Loan account shall be opened under the same CIF under which the primary SB account of the customer has been opened.

18. PERIODICITY OF REVIEW

Yearly

19. REVIEW/RENEWAL CHARGES

Rs 1000 + applicable GST

20. PRE – PAYMENT CHARGES

NIL

21. PENAL INTEREST

As applicable in existing Overdraft facility.

22. NON- SERVING OF INTEREST FOR 3 MONTHS

Branch after following the due procedure for calling up the customer, will initiate process for liquidation of securities & transfer of proceedings to loan A/c.

23. NPA TRACKING / IRAC NORMS

NPA-tracking for running OD A/c will be similar to Cash Credit account (exclusive of Stock Statement).

24. MONITORING / FOLLOW-UP

The following up of advances will be done by the respective Branch on a regular basis. The monitoring of advances will be taken care of by the SSL on regular basis. In case of the following eventualities, SMS and e-mail will be sent to the borrowers as detailed here as under:

- 1) In case the margin falls below the stipulated level, SSL will send alert (SMS/email) to customer with a copy of the mail marked to the Branch.

Mutual Fund Type	Stipulated level
Equity /DAF/ Hybrid/ ETF	37.50%
Debt/ FMP	12.00%

- a) 1st case: Borrower takes action and replenishes the margin through fund deposit and continues the account.
- b) 2nd case: If, no Action to replenish the margin is taken by the Borrower, 2nd alert will be sent.
- 2) In case the margin further falls, a 2nd alert will be sent by SSL to the customer for replenishing the margin with a copy of the mail marked to the Branch.

Mutual Fund	Stipulated level
Equity /DAF/ Hybrid/ ETF	25.00%
Debt/ FMP	08.00%

- 3) Customer approaches the Branch for replenishing the margin.
- 4) In case the customer does not replenish the margin within the stipulated time (i.e. 48 hours from SSL triggering the 2nd alert), the Branch to raise a request for invocation of lien and liquidation of securities to CAMS through the 'Online Lien Portal' along with the letter titled **Invocation of Lien on SBI Mutual Fund units & redemption in favor of the bank** (format as per Annexure LAMF-03.)
- 5) CAMS liquidate the securities and credits the proceeds to the account as advised by the branch.
- 6) Branch closes the Loan account. Surplus, if any, to be transferred to Customer's primary SB Account.

25. CLOSURE OF LOAN ACCOUNT:

Customer can close his/her account, if he/she wishes, by clearing all the outstanding/dues. Branch can close the account and then raise a request for removal of lien to CAMS through the 'Online Lien Portal' along with the letter **Removal of Lien on SBI Mutual Fund units** (format as per Annexure LAMF-05).

26. PRODUCT CODES:

S.No.	Product Description	Product Code
1	MC-LOAN AGNST UNITOF MUTUALFND	65512040
2	MC-OD-LON-AGNST-DUAL ADV FUND	65512041
3	OD LOAN AGAINST MF IN DEBT/FMP SERIES	6551-2255

LOAN AGAINST SOVEREIGN GOLD BONDS

1. PURPOSE

Loan will be granted against “SOVEREIGN GOLD BONDS” issued by Reserve Bank on behalf of Government of India for meeting contingencies and needs of personal nature. Loan will not be sanctioned for speculative purposes.

2. ELIGIBILITY

- a) All individual or joint investors under Sovereign Gold Bond Scheme holding the SGBs.
 - Physical form: Must be issued through our Bank.
 - Demat Form:
 - The customer(s) must have demat account with SSL.
 - In case of joint applicants, the Demat account and SB account should have identical name.
- b) The loan applicant(s) should be properly introduced and should have fully KYC Compliant A/c before the loan is sanctioned.
- c) The loan applicant(s) must have PAN.
- d) Individuals who are 21 years of age with steady income including Bank's employees and pensioners. Submission of proof of income by borrower will not be necessary.
- e) Trusts/HUFs/Companies/Partnership Firms/Proprietary concerns holding Sovereign Gold Bond certificates are **not** eligible for grant of loan under the scheme.
- f) Proper introduction of the borrower(s) and assessment of minimum capacity to service the interest will be sufficient to determine the eligibility.
- g) No LOAN AGAINST SOVEREIGN GOLD BONDS (SGB) will be sanctioned to the third parties against the collateral security of SGBs.
- h) In case the SGBs are held by natural/legal guardian on behalf of a minor, loans can be availed of by the guardian only for the benefit of the minor in line with the provisions of relevant law relating to minors. The natural/ legal guardian should sign an undertaking to this effect.

3. LOAN AMOUNT

Minimum: Rs 20,000/-

Maximum: Rs.20 lacs per individual.

Note:

- a. 'While granting advance the operating units shall ensure that maximum Quantity of 500 grams per person per fiscal doesn't exceed.
- b. The declarations to this effect shall be obtained from the applicant at the time of sanctioning loan.

4. MARGIN

35% of Market Value published by PMD, PBBU.

5. VALUATION

The SGBs is proposed to be valued based on the Market Value of 24 Carat purity (995 grams) gold published by the Precious Metals Dept., PBBU.

6. FACILITY TYPE

Overdraft or Demand Loan (Bullet-Repayment)

7. INTEREST RATE

200 bps above 1-year MCLR (7.00%) i.e., currently 9.00% p.a.

8. PROCESSING FEE

0.50% of the Loan amount + applicable GST or Rs 500 + applicable GST, whichever is higher.

9. REPAYMENT PERIOD:

Overdraft: 36 months

Demand Loan: 12 months

10. REPAYMENT MODE

- **Overdraft:** Interest to be serviced monthly. Principal to be repaid on or before the end of the term.
- **Demand Loan:** (Bullet-Repayment) Interest & Principal to be repaid on or before the end of the term.

11. DELEGATION OF FINANCIAL POWERS

- As per the Scheme of Delegation of Financial Powers, Advances and Matters Allied to Advances -2020, for Fund Based (FB) against Goods (Pledge/Hypoth.) including documents of title to goods and hypoth. of book debt.
- The Sanctioning Authority should invariably submit Control Report to the next higher authority as per the extant instructions.

12. SECURITY/ ASSET IDENTIFICATION

- SGBs held in Physical form: Ensure that the loan sanctioning Branch has issued the SGB(s) to the loan applicant. i.e., Loan against SGBs shall be sanctioned by the Branch which has issued the SGBs to the applicant.
- SGBs held in Demat Form:
- The customer(s) must have demat account with SSL.
- In case of joint applicants, the Demat account and SB account should have identical name.
- Ensure that loans are **not** sanctioned to the third parties against the collateral security of SGBs.

13. DOCUMENTATION

- a. Application for Overdraft/Demand Loan indicating full particulars of SGB offered as security, Pledge Request Form. (Format as per Annexure: PL-37 of Chapter-F of Part 10 of e-Manual on Loans & Advances, Personal Banking Advances).
- b. Consent Letter (format as per Annexure LASGB-05). from the Borrower undertaking to immediately regularize the account/replenish the shortfall in margin, when called upon by the Bank, in case of adverse variation in the market price of the pledged SGBs. The Consent Letter should contain a clause to the effect that in the event of his failure to regularize the account immediately, Bank will have the right to get the security transferred in its name, in part or full, and arrange for its sale without any further reference to the borrower. The Bank shall exercise this option without prejudice to its right to recover the dues by other means.
- c. D P Note and D P Note Take Delivery Letter
- d. Authorization-cum-Undertaking in case of SGBs in Demat form for noting of lien in favor of Bank. (Format as per Annexure LASGB-01)
- e. Arrangement Letter
- f. Two copies of photograph of the borrower(s)
- g. Proof of Identity
- h. Proof of Residential Address
- i. Proof of Income (not mandatory)
- j. Declaration from the Borrower indicating the extent of loans availed of by him/her from other branches/ banks against the security of Sovereign Gold Bonds with Fiscal Year of holding. (Format as per Annexure LASGB-04).
- k. Witness Letter in case of illiterate borrowers (as per specified format)
- l. In case of physical forms, Transfer of Stock Certificates – Form III (Annexure LASGB – 08)

14. SANCTIONING

A. Lien Marking (refer **Annexure-XXX** Process flow on Lien Marking)

• For Sanction of Loan against SGBs in Physical Form

- (i). The branch shall send request to Mumbai Main Branch (MMB), which is SBI's Nodal Branch for SGBs, for Lien marking through email. The branches shall send the scanned copy of Investor request for Lien Marking and a Letter to MMB for Noting of Lien with following details:
 - a. Investor ID
 - b. ISIN
 - c. Investment Serial
 - d. Lien Units
- (ii). MMB shall mark lien of the said SGBs with 'T+1 day' norm in E-Kuber portal. MMB shall send the confirmation to the loan sanctioning branch in the form of a letter through email on receipt of confirmation of lien marking in e-Kuber portal of RBI.

For detailed screen level flow for lien marking, lien revocation & third-party transfer functionalities, MMB shall refer the User Manual (As advised by RBI vide notification no. RBI/2016-17/193 IDMD No.1569/14.04.050/2016-17 dated December 23, 2016).

d. For Sanction of Loan against SGBs in Demat Form

- (i). The lending branch should open an account with the Bank's DP Unit by contacting the SSL executives (if not already opened).
- (ii). The branch shall request SBI Securities Cap Limited (SSL) for Lien marking. The branches shall send the scanned copy of *Investor request for Lien Marking* and a *Letter to SSL Noting of Lien* with following details:
 - a. Demat Account Number
 - b. ISIN
 - c. Investment Serial
 - d. Lien Units
- (iii). SSL shall mark lien of the said SGBs with 'T+1 day' norm. SSL shall send the confirmation to the loan sanctioning branch.
- (iv). SSL informs customer regarding lien marking.
- (v). SSL sends data of lien marked bonds to RBI.

B. Upon the confirmation of successful lien marking, Branch processes and sanctions loan in LOS. Branches to enter the correct Mobile Number and E-Mail id of the customer in LOS.

C. Branches to refer to the latest Circular issued by Precious Metals Dept., PBBU for Market Value of 24 Carat purity (995 gms) gold.

D. LOS opens account in CBS.

E. Arrangement Letter DP Note and DP delivery letter generated through LOS & TRANSFER OF STOCK CERTIFICATES (format as per *Annexure LASGB -08*) will be executed by the borrower.

F. Witness Letter in case of illiterate borrowers (as per specified format AGR - 09).

Processing of Proposal in LOS & CBS is similar to that of Gold Loan scheme of the bank.

15. PENAL INTEREST

Penal Interest @2% p.a. would be charged (irrespective of loan amount) over and above the applicable interest rate on the overdue amount for the period of default. The penal interest will not be levied if part instalment or part EMI remains overdue.

16. PRE-PAYMENT/CLOSURE CHARGES

NIL

17. IRAC NORMS

Overdraft: Non-servicing of interest for more than 90 days after due date.

Demand Loan: Non repayment of total loan outstanding (including interest) for more than 90 days after due date.

18. MONITORING / RECOVERY IN CASE OF NPA

The monitoring of advances will be taken care of by the system (CBS) on regular basis. i.e., Monitoring of loans outstanding vis-à-vis underlying security value in CBS to track the fall in margin during the tenor of the loan.

- A. In case the **margin falls below the 25%**, CBS will send alert (SMS/email) to customer with a copy of the mail marked to the Branch. Upon receipt of the email, Branches to send the notice to the borrower(s).
- B. If the overdue position continues for 15 days, CBS will send the 2nd alert (SMS/email) and Branches to send the 2nd notice to the borrower(s).
- C. If the overdue position continues for 15 more days (i.e., 30 days from 1st Alert), CBS will send the 3rd alert (SMS/email) and Branches to send the 3rd notice to the borrower(s).
- D. In case the customer does not replenish the margin within the stipulated time (i.e., 48 hours of CBS triggering the 3rd alert/branch sending 3rd notice),

a) Loan against SGBs in Physical Form

- i) Loan sanctioning Branch informs Mumbai Main Branch (MMB) to transfer the ownership of SGBs to Bank along with the letter of **Invocation of Lien** (format as per Annexure LASGB-03) & Transfer of Stock Certificates (executed by customer during loan disbursement) (through email to sgb3.mmb@sbi.co.in).
- ii) MMB to send an email to PDO, Mumbai (email id: pdomumbai@rbi.org.in) with a request for transfer of the bonds to the bank along with the following:
 - Transfer Of Stock Certificates (sent by the branch)
 - Application for Transfer of Government Securities Under Pledge/ Hypothecation/ Lien ((format as per Annexure LASGB-09)
- iii) Convert the SGBs into Demat form (Demat account of the MMB).
 - MMB shall refer e-Circular No. NBG/PBBU-PMD-PMD/22/2016 – 17 dated 05.01.2017 issued by Precious Metals Dept., PBBU for Procedural Guidelines for Transfer & Conversion of stock certificates to dematerialized form.
- iv) MMB liquidates the securities and credits the proceeds to the account as advised by the Loan Sanctioning Branch.
- v) MMB advises the Branch of the liquidation of securities through email.
- vi) Eventually, the Branch shall close the loan account.

b) Loan against SGBs in Demat Form

- i) Branch informs SSL to liquidate the SGBs with the letter of **Invocation of Lien** (format as per Annexure LASGB-03) (through email).
- ii) SSL to sell the SGBs in market.
- iii) SSL to inform RBI on liquidation of SGBs.
- iv) SSL advises Branch of the liquidation of securities (through email) and remits the proceeds to the loan account as advised by the Branch.

E. Branch closes the loan account. Surplus, if any, to be transferred to Customer's primary SB Account. In the rare occasion of shortfall, the Branch to undertake recovery procedure as in the case of other defaulted loans.

19. ELIGIBLE BRANCHES

Loan against SGBs held in Physical form shall be sanctioned by the Branch which has issued the SGBs to the applicant. However, all the branches are eligible to sanction Loan against SGBs held in demat form.

20. LOAN CLOSURE

Customer can close his/her account, if he/she wishes, by clearing all the outstanding/dues. Branch can close the account and then raise a request for removal of lien to MMB/SSL through the email along with the letter of **Removal of Lien** (format as per Annexure LASGB-06).

21. COLLATERAL MANAGEMENT:

Collateral Linkage (Primary / Collateral Flag)	Collateral Type	Collateral Subtype
Primary	05- Gold	10- Gold Sovereign Gold Bond

21. PRODUCT CODES

S.No.	Product Description	Product Code
1.	MC-DL AGNST SVRN GOLD BND	64514208
2.	MC-OD AGNST SVRN GOLD BOND (P)	65514208

Appendix: Master Circular

List of Circulars/Manuals consolidated in the Master Circular- Loan against securities

S No.	Date	Circular No	Subject
	05.05.2008	IBG/FD/FD-FCL/12/2008 – 09	
1.	05.12.2012	IBG/FD/FD-MISC/134/2012 - 13	FOREIGN CURRENCY LOANS (FCL) TO NRIs AGAINST FCNR(B) DEPOSITS
2	04.02.2015	NBG/PBBU/NRI-DEPOSIT/42/2014 - 15	NRI Services Loan Against NRE/NRO - TDR/STDR/RD and FCNR(B) Deposits
3	23.05.2015	NBG/PBU/PL-TDRLOANS/9/2015 - 16	Internet Banking: Online opening of OD against Domestic TDR/STDR/eTDR/eSTDR A/c
4	26.06.2015	NBG/PBU/PL-PERLOANS/18/2015 - 16	LOAN AGAINST BANK'S OWN TIME DEPOSIT BY NON-HOME BRANCHES
5	18.08.2018	NBG/PBU/PL-TDRLOANS/29/2018 - 19	LOAN TO THIRD PARTIES AGAINST FIXED DEPOSITS IN THE NAME OF INDIVIDUAL CUSTOMERS
6	20.08.2018	R&DB/PBU/CD&e-COM-PL/3/2018 - 19	LOAN AGAINST TIME DEPOSITS - REVIEW IN RATE OF INTEREST delegation of financial power to concessionary ROI.
7	17.06.2019	R&DB/PBU/CD&e-COM-PL/2/2019 - 20	OD/DL against any TDR, the loan account is to be linked manually
8	23.08.2019	R&DB/CD&e-COM/Demand loan/3/2019 - 20	LOAN AGAINST NSCs/KVPs INSTANCES OF NON-ADHERING TO BANK'S LAID DOWN INSTRUCTIONS
9	07.12.2019	R&DB/CD&e-COM/Demand loan/5/2019 - 20	LAD (i) PROCESSING OF ALL LOANS AGAINST TIME DEPOSIT THROUGH LOS INCL STAFF LOANS
10.	30.07.2020	NBG/PBU/LIMA-TD/10/2020 21	NEW TERM DEPOSIT PRODUCT FLOATING RATE BULK TERM DEPOSIT
11	30.05.2020	R&DB/CD&e-COM/Demand loan/4/2020 - 21	LOAN AGAINST FCNR(B)/NRE DEPOSITS INCLUSION OF PREMATURE CLAUSE IN LOAN DOCUMENTS
12	05.09.2020	R&DB/PBU/CD&e-COM-PL/12/2020 - 21	CHANGE IN MARGIN RULES - LOAN AGAINST BANK'S TIME DEPOSITS: FCNR (B) /PREMIUM DEPOSITS
13	05.09.2020	R&DB/PBU/CD&e-COM-PL/11/2020 - 21	LOAN AGAINST BANK'S TIME DEPOSITS NRE/ NRO/ DOMESTIC DEPOSITS change in Margin requirement.
14	21.09.2020	R&DB/PBU/CD&e-COM-PL/17/2020 - 21	MANAGING CONCESSION IN RATE OF INTEREST IN CBS: SEPARATE PRODUCT CODE FOR CONCESSIONARY ROI
15	21.09.2020	R&DB/PBU/CD&e-COM-PL/14/2020 - 21	CHANGE IN MARGIN REQUIREMENT LOAN AGAINST INSURANCE POLICIES
16	21.09.2020	R&DB/PBU/CD&e-COM-PL/15/2020 - 21	CHANGE IN MARGIN REQUIREMENT LOAN AGAINST BANK'S TIME DEPOSITS: STAFF LOANS
17	30.09.2020	Loan Manual	Personal Segment loan manual Part-8
18.	05.12.2020	NBG/PBU/AL-NPAM/10/2020 - 21	LOAN AGAINST FCNR (B) ROLL OUT OF NPA FUNCTIONALITY (902- ARREAR

			CONDITION)
19	22.01.2021	NBG/PBU/AL-NPAM/14/2020 - 21	SOP on loan against Third party deposits.
20	21.04.2015	NBG/PBU/PL-GENERAL/4/2015- 6	ONLINE LOAN AGAINST SHARES
21	11.06.2015	NBG/PBU/PL-PERLOANS/15/2015 - 16	ONLINE LOAN AGAINST SHARES REVISED INSTRUCITONS
22	23.07.2015	NBG/PBU/PL-LOAN AGAI/23/2015 - 16	ONLINE LOAN AGAINST SHARES REVIEW AND MODIFICATION
23	19.01.2017	NBG/PBU/PL-LOAN AGAI/79/2016 - 17	LOANS AGAINST 100% CASH MARGIN/SPECIFIED SECURITIES
24	13.03.2018	NBG/PBU/PL-LOAN AGAI/69/2017 - 18	ONLINE LOAN AGAINST SHARES REVIEW AND MODIFICATION
25	05.01.2019	CCO/CPPD-ADV/145/2018 - 19	COMPLIANCE UNDER SECTION 19 (2) OF BANKING REGULATION ACT, 1949 ADMINISTRATIVE CLEARANCE-PROCESS AUTOMATION
26	06.02.2021	NBG/PBBU-PMD-SUB1/20/2020 - 21	LOAN AGAINST SHARES: REVIEW AND MODIFICATION
27	27.02.2017	NBG/PBU/PL-LAS/88/2016 - 17 SI.No.: 1551/2016 - 17	LOAN AGAINST MUTUAL FUND UNITS (EQUITY/ HYBRID / ETF/ DEBT / FMP)
28	15.01.2018	NBG/PBU/PL-PERLOANS/54/2017 - 1 SI.No.: 1228/2017 - 18	NEW PRODUCT- LOAN AGAINST SBI DUAL ADVANTAGE FUND (DAF)
29	19.01.2018	NBG/PBU/PL-LOAN AGAI/57/2017 - 1 SI.No.: 1248/2017 - 18	LOAN AGAINST MUTUAL FUND UNITS (LAMFU) MODIFICATIONS
30	28.05.2018	NBG/PBU/PL-PERLOANS/11/2018 - 19 SI.No.: 230/2018 - 19	LOAN AGAINST MUTUAL FUNDS & DUAL ADVANTAGE FUNDS
31	08.07.2020	R&DB/PBU/CD&e-COM-PL/6/2020 - 21 SI.No.:	LOAN AGAINST SECURITIES: LOAN AGAINST MUTUAL FUNDS
32	18.03.2021	NBG/PBBU-PMD-SUB1/29/2020-21 SI.No.: 1475/2020-21	LOAN AGAINST SECURITIES: LOAN AGAINST MUTUAL FUNDS
33	09.01.2018	NBG/PBU/PL-PERLOANS/52/2017 - 18	NEW PRODUCT - LOAN AGAINST SOVEREIGN GOLD BONDS (SGBs) HELD IN PHYSICAL & DEMAT FORM
34	28.05.2018	NBG/PBU/PL-PERLOANS/12/2018 - 19	NEW PRODUCT - LOAN AGAINST SOVEREIGN GOLD BONDS (SGBs) PAN INDIA ROLL OUT WEF 01.06.2018
35	09.08.2018	R&DB/PBU/CD&e-COM-PL/2/2018 - 19	PROCESS FLOW ON LIEN MARKING IN CBS ON SGBS

Loan Application Form

The Branch Manager,
State Bank of India,
Branch.

Date.....

Dear Sir,

ADVANCE AGAINST SECURITY(s) DEPOSIT(s) IN FCNR / NRE / DOMESTIC TERM DEPOSIT / SPECIAL TERM DEPOSIT ACCOUNTS.

I/We request you to grant a loan of Rs. _____ (Rs. _____ only) by way of Demand Loan / an Overdraft limit / Cash Credit limit / Advances / other banking accommodations including Letter of Credit and Bank Guarantee and such other banking facilities (hereinafter referred to as "Banking Facilities" against under mentioned securities / deposits placed with your branch as security for all moneys now owing or which shall at any time hereafter be owing from me / us in any manner what-so-ever solely or jointly with others.

2. I/we hereby authorize you that, on maturity of the said Security(s) / Deposit(s), the loan account be closed, out of their maturity proceeds and the balance if any be paid to me/us.
3. I / we hereby authorize you to convert foreign Currency Deposits on due date(s) I by applying SBI TT buying rate ruling on that date and adjust the proceeds towards the relative loan Account and balance if any be paid to me / us. (Not applicable for domestic deposits).
4. Periodical interest payable on the Term Deposit, if any, may be credited to the said Banking facilities account.
5. a) 1/ We offer deposits in under noted accounts as security for the above Banking Facilities. Please accept and mark a lien thereon in favor of the Bank.
b) I /we declare and agree that the said security(s) / deposits are free from encumbrances and are my / our sole property and will continue as security to the said Banking Facilities even after the renewals of the said security(s) / deposit(s).
6. The loan is required for the purpose of
7. I / We agree that interest shall be charged by you on the daily balances outstanding in the account in respect of the said banking Facilities at* such rate/s as would be determined by the Bank from time to time for any reason including, any directives of the Reserve Bank of India in respect of interest rate/s and if such rate is linked to the State Bank of India Advance Rate obtaining at the particular time, any revision in the SBI Advance Rate will correspondingly change the effective rate of interest on my/our said Banking Facilities.

8. I/we agree that Interest shall be calculated on the daily balances outstanding in the accounts of the said Banking Facilities and debited thereto on the last working day of the calendar month.

9. The said Banking Facilities will be repaid by me/us in monthly instalment of Rs. _____ with effect from _____ OR Periodical interest and instalment due may be recovered by debit to my/our SB/CA / CC Account No _____ with you / deducted from my salary every month.

1/ we undertake that I / we will not revoke this authority during the currency of said Banking Facilities.

(Delete whichever is not applicable)

10. In this connection, 1/ We promise to service the interest on my/our said Banking Facilities at monthly intervals. In case I/We fail to service the interest for 3 months the bank shall be at liberty to realize the said security(s) / deposit(s) prematurely to adjust the outstanding in my / our said banking facilities without any reference, in this regard to me / us. After such adjustment if any balance is payable by me / us, we undertake to pay the same immediately without prejudice to your right of lien /set off in respect of any other account(s) with you either jointly or severally.

11. I/We, hereby agree and give consent for the disclosure by the Bank of all or any such information and data relating to me/us; data / information relating to my/our obligation in any Banking facility granted / to be granted to me / us by the bank as a borrower / guarantor, and in case of default, if any, committed by me / us, in discharge of my / our obligations, as the State Bank of India may deem appropriate and necessary, to disclose and furnish to Credit Information Bureau (India) Ltd. (CIBIL) and any other agency authorized in this behalf by RBI.

12. I/We undertake that CIBIL and any other agency so authorized may use, process the said information and data, disclosed by the bank, in the manner as deemed fit by them. They may also furnish for consideration the proposed information and data, or products thereof prepared by them, to banks / financial institutions and other credit grantors or registered users, as may be specified by the RBI in this behalf.

13. I Undertake that the facility of premature withdrawal of NRE/FCNR (B) deposits shall not be available to the depositor/borrower when he/she avail loans against such deposits.

14. I undertake that the loan amount cannot be repatriated outside India and shall be used for the following purposes:

- personal purposes or for carrying on business activities except for the purpose of relending or carrying on agricultural/ plantation activities or for investment in real estate business.

- making direct investment in India on non-repatriation basis by way of contribution to the capital of Indian firms/ companies subject to the provisions of the relevant Regulations made under the Act.
- acquiring flat/ house in India for his own residential use subject to the provisions of the relevant Regulations made under the Act.

15. I/We understand that I/We are offering my/our deposit (detailed below) to the Bank for loan in my name/our name or in the names of Shri/Smt _____ (Third party) for the purpose of _____ and undertake to abide by the Bank's instructions with respect to loan against deposits.

15. I/We declare that the information and data furnished by me/us to the Bank are true and correct.

PARTICULARS OF SECURITY(S)/ DEPOSIT(S)

Security(s)A/c. No.	Favoring	Self / *Third party	Date	Period	Due date	Rate of Interest	Amount

*Deposits in the name of third party (individual capacity) to be considered as a security for loan sanction to individual applicants only.

Address.....

Yours faithfully,

(Signature of the Security Holder(s) Depositor(s) /Applicant/s)

ARRANGEMENT LETTER

Shri _____

Dear Sir /Madam,

ADVANCE AGAINST SECURITY(S) / BALANCES IN FCNR / NRE / NRO /
DOMESTIC TD / STD ACCOUNT.

With reference to your application, we are pleased to sanction you a Demand Loan / an Overdraft limit / Cash Credit limit / Advances / other banking accommodations including Letter of Credit and Bank Guarantee and such other banking facilities of Rs. ----- (Rs. ----- only) against under noted security(s) on the Terms and Conditions mentioned thereafter:

PARTICULARS OF SECURITY(S) / DEPOSIT(S)

Security / A/C No. Favoring Date Period Due Date Rate of Interest Amount.

1. Limit: Rs. _____ (Rs. _____ only)
2. Security: Lien over Security(s) / deposit(s) / balance(s) in FCNB/NRE/NRO/ Domestic TDA/ STDA.
3. In the event of my/we failing to repay any/two or more instalment (s) at any point of time, the Bank may send written reminder or make tele-call/SMS or depute an official to meet me/ us personally, all the incidental charges appurtenant thereto such as postage, telephone/SMS charges, transportation charges, on actual, would be recovered from me/us.
4. Notwithstanding anything contained herein above, I/We confirm having agreed that the Bank reserves the absolute right to cancel the limits (either fully or partially)

unconditionally without prior notice (a) in case the limits/ part of the limits is not utilized by me/ us, and/ or (b) in case of deterioration in the loan accounts in any manner whatsoever, and/or (c) in case of non- compliance of terms and conditions of sanction.

5. Rate of Interest: _____ % p.a. above the rate applicable on FCNB/NRE /NRO/ Domestic Special / Term Deposit account – minimum _____ %p.a. with monthly rests.

OR

_____ % Below / above Base Rate/ SBAR – minimum _____ % p. a. with monthly rests. Monthly interest applied in the loan account should be paid immediately and in case of failure to pay interest for 3 consecutive months, the Bank reserves the right to liquidate the outstanding in the loan account by premature encashment of FCNR / NRE/ NRO/ Domestic Rupee Special

/ Term Deposit accepted as security, without any further notice to you. The balance amount if any, will be credited to your above deposit account /sent to you by Bank's Pay Order.

6. Repayment: Repayment of the loan can be made from
 - a) Fresh remittance from abroad in case of NRIs,
 - b) Your FCNB / NRE/ NRO accounts in case of NRIs and any deposit account / cash deposit in case of Resident Indians.
 - c) Maturity (including before maturity) proceeds of the above security deposit account.
7. Period: The period of loan should not exceed the unexpired period of the relative FCNB / NRE / NRO / Domestic TD / STD account accepted as security.
8. Purpose: Loan will be used for _____.
9. Disbursement: Loan will be disbursed after execution of prescribed loan / security documents.
10. Periodical interest payable on the Term Deposit may be credited to the said loan account.
11. The loan is also subject to other terms and conditions as may be prescribed by the Bank from time to time.

Please return the duplicate copy of this arrangement letter duly signed by you in token of your having read and consented to the above Terms & Conditions governing the loan.

Yours faithfully,

Authorized Officer / Branch Manager

Received the copy of arrangement letter and I / We accept the above terms and conditions of the loan.

Borrower(s)

LOAN AGREEMENT -SPECIFIED SECURITIES

(To be stamped as an agreement in accordance' with the Stamp Act in force in the state in which this document is executed and not to be attested)

..... (Place)
..... (Date)

To

STATE BANK OF INDIA

In consideration of the State Bank of India (hereinafter called "the Bank") at the request of the undersigned

(1)

(Security /Deposit Holder),

(2)

(Security /Deposit Holder),

(3)

(Security /Deposit Holder) and

(4)

(Security /Deposit Holder),

(Full address of all has to be given)

(Hereinafter collectively referred to as "Depositors ") having agreed to grant and having granted Cash Credit Limit(s) of Rs..... / Demand Loan(s) of Rs..... / Overdraft(s) of Rs..... /Advance(s) of Rs..... / Other Banking accommodation(s) including Letter of Credit, Bank Guarantee facility(s) of Rsand such other facilities (hereinafter referred to as ' banking facilities')

to

(A)

.....
(Borrower other than Depositor)

(B)

.....
(Borrower other than Depositor)

(C)

.....
(Borrower other than Depositor)
and the said

(D)

.....
(Borrower -who is also Depositor)

(E)

.....
(Borrower who is also Depositor)

(F)

.....
(Borrower who is also Depositor)

(G)

.....
(Borrower who is also Depositor),

(Full address of all has to be given)

(hereinafter (A), (B), (C), (D), (E), (F) & (G) are referred to as 'Borrowers', which will include all of them / one of them or some of them),

Depositor(s) hereby deposit/ have deposited with the Bank and/or agreed with the Bank to hold the securities mentioned in the Schedule hereto (hereinafter referred to as the 'said securities') as security for the due performance by the Borrowers and/ or any of them or any of the terms subject to which the aforesaid banking facilities granted / to be granted and for repayment on demand to the Bank of. all and every sum or sums of money which shall for the time being be owing to the Bank on any account from the Borrowers or any of them for banking facilities or for the other money for which the Borrowers or any of them may be liable on any account to the Bank whatsoever with all interest, commission, discount and banking charges including legal charges occasioned by or incidental to the said indebtedness to the Bank or by or to the enforcement of any security held by the Bank. Depositors hereby confirm and agree that such security shall also be available as a security for repayment to the Bank for any amount which shall for the time being be owing to the Bank on any account from the Borrowers or any of them jointly with any other person or persons or firm or company, for banking facilities, which the Borrowers or any of them may be liable jointly with others aforesaid on any account whatsoever with all interest, commission, discount and banking charges including legal charges occasioned by or incidental to the said indebtedness to the Bank or by or to the enforcement of any security held by the Bank.

2. Depositors agree that upon default by the Borrowers or any of them in repayment, on demand, all or any sum of dues / money secured as aforesaid or in the case of any of the Borrower or my/our becoming bankrupt or in the event of breach of any of the terms and conditions of the sanction of banking facilities'; the Bank shall be entitled immediately or at any

time thereafter to realise the said securities (including dividend on shares) (even by premature closure of the security(s)/ deposit(s)) and apply the net proceeds in or towards the discharge of the moneys hereby secured.

3. This security shall be binding as a continuing security on Depositors and their representatives and shall not be prejudiced by the failure on the part of the Borrowers or any of them or any of the terms subject to which the aforesaid banking facilities may be granted and the Bank shall be at liberty without thereby affecting their rights against Depositors hereunder or the said securities or any collateral or other security now or hereafter held or taken by the Bank at any time, to determine, enlarge or vary any credit to the Borrowers or any of them to vary exchange or release any such securities for or on account of moneys intended to be hereby secured or any part thereof to renew bills and promissory notes in any manner and to compound with, give time for payment, to accept compositions from and make any other arrangements with the Borrowers or any of them or any obligants on bills, notes or other securities held or to be held by the Bank for and on behalf of the Borrowers or any of them.

4. This security shall be in addition to and shall not be in any way prejudiced or affected by any collateral or other security now or hereafter held or taken by the Bank for all or any part of the moneys hereby secured nor shall such collateral or other security or any lien to which the Bank may be otherwise entitled or the liability of any person or persons not parties hereto for all or any part of the moneys hereby secured be in any wise prejudiced or affected by this present security and the Bank shall be at liberty to release or forbear to enforce all or any of its remedies upon or under this security or any collateral or other security now or hereafter held or taken by the Bank and that no such release or forbearance as aforesaid shall have the effect of releasing Depositors from the liability hereunder or of prejudicing the Bank's rights and remedies against Depositors hereunder and Depositors shall have no right to the benefit of any other security that may be held by the Bank until the claim of the Bank against the Borrowers on any account whatsoever shall have been fully satisfied and then in so far only as such securities shall not have been exhausted for the purpose of realising the amount of the Bank's claims and rateably only with other guarantors or other persons (if any) entitled to the benefit of such securities respectively and the Bank shall have full power at their discretion to give time for payment to or make any other arrangement with the Borrowers) or any such other person or persons without prejudice to this security or Depositors' liability hereunder. And all moneys received by the Bank from the Borrowers or any person or persons liable to pay the same may be applied by the Bank to any account or item of account or to any transaction to which, the same may be applicable.

5. Depositors declare that where the security(s) / deposit(s) i.e., Term Deposit(s) is/ are taken as security(s), the said security(s) / deposit(s) will continue as security(s) even after the renewal(s) of the said security(s) / deposit(s).

6. Where the security(s) / deposit(s) are foreign currency security(s) / deposit(s). Depositors hereby authorise you to convert foreign currency security(s) / deposit(s) on due date(s) by applying SBI TI' buying rate ruling on that date and adjust the proceeds towards the liabilities in the said banking facilities.

7. Depositors declare that on maturity of the security(s) / deposit(s), the proceeds of the said security(s) / deposit(s) will be utilised to clear all outstanding /liabilities in the said banking facilities and after such adjustment, the balance, if any, in the said security(s) / deposit(s) be

paid to the Depositor by your bankers' cheque or by credit to the account No._____.

8. In the event of any money hereby secured remaining unpaid after becoming payable or the value of the said securities at any time being insufficient in the Bank's opinion, Depositors authorise you through your agents and nominees without notice to the Depositor to sell and realize the said securities or any part thereof at such times and prices and generally in such manner as the Bank in its absolute discretion shall think fit without being liable for any loss. Depositors undertake to accept the Bank's accounts of sales as conclusive evidence of the matters therein.

9. The security hereby created shall not be discharged by any partial payments or fluctuations of accounts or the existence of a credit balance or any account at any time.

10. Depositors declare that the said securities are their own absolute property and free from any claims and encumbrances whatsoever and that they have absolute power of disposal over the same and undertake to do whatsoever may be required to be done by them to give effect to any provisions thereof.

11. Borrowers and Depositors, hereby agree and give consent for the disclosure by the Bank of all or any such information and data relating to Borrowers; data / information relating to my/our obligation in any credit facility granted / to be granted to Borrowers by the bank, and in case of default, if any committed by Borrowers, in discharge of their obligations, as the State Bank of India may deem appropriate and necessary, to disclose and furnish to Credit Information Bureau (India) Ltd. (CIBIL) and any other agency authorised in this behalf by RBI.

12. Depositors and Borrowers undertake that CIBIL and any other agency so authorised may use, process the said information and data, disclosed by the bank, in the manner as deemed fit by them. They may also furnish for consideration the proposed information and data, or products thereof prepared by them, to banks / financial institutions and other credit grantors or registered users, as may be specified by the RBI in this behalf.

13. The security hereby created shall not be affected by any change in the constitution or style of any firm (whether consisting of or reduced to one individual at any time) to whose liability such security may relate.

THE SCHEDULE ABOVE REFERRED TO

Particulars of the “Pledged Securities”

(Shares, Insurance Policies, Security(s) /Deposit(s), TD/STD A/C, Foreign Currency Security(s) / Deposit(s), NSCs KVPs, Bonds, etc.)

Dated this Day of Two thousand

Borrowers / Depositors

1)

2)

3)

4)

Witness Letter

To

State Bank of India,

Dear Sir,

Loan against security of deposits for Rs. -----
----- to Shri/Smt. -----

This is to confirm that I was present when Shri/Smt. * ----- put
his/her thumb impression to # -----. The contents
of the document were explained in @ ----- known to said Shri/Smt.* -----
----- in my presence.

Yours faithfully,

(Signature of the witness)

(Name & Address of witness to be given with A/c No., if any)

* Here states the name of illiterate person / # Here state the nature of the document

@ Here states the exact language i.e., Assamese/Bengali/Odia/Hindi/Tamil/Kannad/Gujrati, etc.

DP NOTE

Rs. _____
Place. _____
Date. _____

On demand Sri/Smt. _____ promise to
pay the State Bank of India _____ or order the sum of Rupees _____
for value received with interest from this day at _____
With _____ Interest.

STAMP

N.B.: Stamps should be cancelled by the maker writing his/her name or initials across them together with the true date of his so writing. VIZ. the date on this note, in addition to his signature on the note.

COS229

STATE BANK OF INDIA **D.P. NOTE DELIVERY LETTER**

Place. _____
The _____,

State Bank of India

Date. _____

Dear Sir,

Please take delivery of the accompanying Demand Promissory Note dated _____ For Rs. _____
Made by in favour of State Bank of India.

We further request you to note that we dispense with a notice of dishonour in terms of Section 98(a) of the Negotiable Instrument Act, 1881 and that in the event of payment not being made on demand the Bank is at liberty to give time for payment to either of us without discharging the either of us from liability.

Yours faithfully,

SECURITIES

Either or Survivorship Form

----- 20 -----

The -----
STATE BANK OF INDIA

Dear Sir,

With reference to the securities at present standing in your books in our joint names, we shall be obliged if you will hold these securities, as also all other securities which may hereafter be deposited with you in such joint names, at the absolute disposal of * ----- of us and of the survivors \$ and the survivor of us and if you will endorse and deliver such securities as may be required for giving effect to these instructions, which will remain in force until you receive instructions from either / any one of us to the contrary.

Yours faithfully,

Each person to sign here:

* When the account is in the name of two parties insert "either"; if in the names of three or more parties insert "anyone" or "any tow" as the case may be.

\$ When the account is in the names of two parties only strike out the words "and of the survivors"

COS142

CURRENT ACCOUNT/OVERDRAFT ACCOUNT

Either or Survivorship Agreement

(To be stamped as an agreement in accordance with the stamp Act
in force in the state in which this document is executed.)

----- 20 -----

The -----
STATE BANK OF INDIA

Dear Sir,

In consideration of your opening a current account / overdraft account in your books in our joint names, we agree that such account is to be operated on by* _____ (of us and of the survivors# and by the survivor of us;) we also agree that should you permit the account at any time to be overdrawn, we shall jointly and severally liable to you for repayment on demand of such overdraft amount with interest.

Yours faithfully,

Each person to sign here:

* When the account is in the name of two parties insert "either"; if in the names of three or more parties insert "anyone" or "any tow" as the case may be.

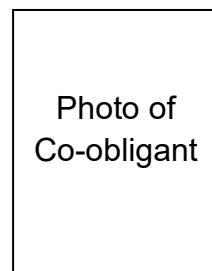
When the account is in the names of two parties only strike out the words "and of the survivors"

COS57

APPLICATION FORM

For Loans against _____
(Please write the name of the security* against which loan is being applied for)
(Security*: Shares/Debentures/Bonds/RBI Relief Bonds/Mutual Fund units/NSCs, etc.)

STATE BANK OF INDIA
_____ BRANCH



(I) PERSONAL INFORMATION

1. Name:

First Name	Middle Name	Surname/Last Name
------------	-------------	-------------------

Co-applicant's

Name:

2. (i) Applicant's Address:

(R)

Telephone No. (R) _____ (O) _____

(ii) Co-applicant's Address:

(R)

(O)

Telephone No. (R) _____ (O) _____

3. Date of Birth:

Applicant

Day /Month/Year

Co-applicant

Day/Month/Year

Age:

Years

Years

4. Sex:

Male/Female

Male/Female

5. Occupation:

a. Employee (Designation): _____

b. Self-Employed: _____

c. Pensioner: _____

d. Agriculturist:	_____	
6. Monthly /Annual Income:	_____	
Gross Rs.	_____	
Net Rs	_____	
Other Regular	_____	
Monthly Income Rs.	_____	
Please specify Source	_____	
7. Purpose of Loan	_____	
8. Nature of security offered (given full particulars of _____ shares/debentures, NSCs, _____ US64 Bonds, units of UTI, _____ RBI Relief Bonds, etc.)	_____	
9. Loan Amount	: Rs. _____	
Proposed Repayment Period	: _____ Months / Years	
Proposed Monthly Repayment	: Rs. _____	
(II) DETAILS OF BANK ACCOUNT:		
	Applicant	Co-applicant
10. Name of the Bank	_____	
Branch	_____	
Telephone No.	_____	
Type of Account	_____	
Account Number	_____	
Year of Opening	_____	

(III) DECLARATION:

I/We declare that all the particulars and information given in the application form are true, correct and complete and that they shall form the basis of any loan, State Bank of India may decide to grant me/us.

I/We undertake to inform State Bank of India regarding change in my/our occupation/employment / residential address and to provide any further information that the bank may require.

I/We further authorise the bank to credit all sums received by the bank or standing to the credit in my/our name jointly or severally to the loan account, if necessary.

I/ We confirm that the funds will be used for stated purpose and will not be used for speculative purpose. I/We confirm that we are resident Indians.

I also understand that the sanction of the loan is subject to the execution of documents as per the Bank's requirements. I agree that the Bank has a right to make such enquiries about me as it/they think(s) fit.

Signature of	_____	Applicant	_____	Co-applicant
Place : _____				
Date : _____				

(IV) Documentation :

Please submit the following documents along with your application:

- Latest monthly salary slip showing deductions - of Self and Co-applicant.
- Latest Form 16 from employer (for employees). – of Self and Co-applicant.
- Copy of IT return for last two years, duly acknowledged by ITO with computation of income, for others.
- Copy of Passport or Voters ID Card or Driving Licence for proof of Identity
- Copy of Electricity Bill/Telephone Bill/Passport/Voters I-Card for proof of residence.
- Latest Passport size Photograph - of Self and Co-applicant.
- Last six months Bank Statement of the account where salary is credited of Self and Co-applicant.
- Proof of official address (for other than employees)

Signature of

Applicant

Co-applicant

Place: _____

Date: _____

FOR BANK'S USE

Security Loan Offered	Face Value	NAV/Repurchase Value/ Market Value	Margin	Eligible Amount
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

Recommended : _____ Sanctioned : _____
Date : _____ Date : _____

ARRANGEMENT LETTER

For Loans against _____

(Please write the name of the security* against which loan is being applied for)

(Security*: Shares/Debentures/Bonds/RBI Relief Bonds/Mutual Fund units/NSCs, etc.)

To, Shri/Smt./Kum. _____

Date:

Dear Sir,

Loan against the security of _____

Loan of Rs. _____

With reference to your application dated _____, we hereby sanction you a Term Loan/ Demand Loan/Overdraft* (delete which is not applicable) of Rs _____ (Rupees _____ only) on the following terms and conditions :

1. Purpose: The loan is sanctioned to you as per your application dated _____
2. Rate of Interest:
Interest on the loan will be charged at _____ % p.a. over the 1 year Marginal Cost of Funds Lending Rate (1 year MCLR) which is currently _____ % p.a., the current effective rate being % p.
a. calculated on daily balance of the loan amount at monthly rests, subject to reset at the end of every year on the basis of prevailing 1 year MCLR as on the date of reset. The Bank shall at any time and from time to time be entitled to vary the Margin and MCLR at its discretion.
The Borrower/ Co-borrower shall be deemed to have notice of changes in the rate of interest whenever the changes in the MCLR Rate are notified at/displayed at the branch notice board or published in a newspaper or in the website of the Bank or made through the statement of account/pass book of the Borrower/ Co-borrower etc. In the event of default in payment of any instalment or any irregularity in the loan account, penal interest at the rate of % p.a. over the stipulated interest rate with monthly rests will be charged for the irregular amount and overdue period.
3. Repayment:
The loan is to be repaid in _____ Equated Monthly Instalment of Rs. _____. The number of equated monthly instalments may increase/vary if the entire loan with interest, cost, charges and expenses is not repaid by/with the stipulated number of equated monthly instalments by reason of increase in the rate of interest or otherwise. The equated monthly instalments will have to be paid till the entire loan with interest is fully repaid. The first instalment commences from the month following the month of disbursement of loan.
4. Notwithstanding anything contained herein above, I/We confirm having agreed that the Bank reserves the absolute right to cancel the limits (either

fully or partially) unconditionally without prior notice (a) in case the limits/part of the limits are not utilized by me/ us, and/ or (b) in case of deterioration in the loan accounts in any manner whatsoever, and/or (c) in case of noncompliance of terms and conditions of sanction.

5. In the event of my/we failing to repay any/two or more instalment (s) at any point of time, the Bank may send written reminder or make tele-call/SMS or depute an official to meet me/ us personally, all the incidental charges appurtenant thereto such as postage, telephone/SMS charges, transportation charges, on actual, would be recovered from me/us.
6. Security* : Pledge of under noted securities (if in Demat form)

Nature of security	ISIN No.	Demat A/c No.	DP Name	DP ID No.	Maturity value if applicable	Date of maturity if applicable	Whether security pledged, transferred to Bank

	If the securities pledged are in physical form:	
	Name of the Unit Scheme:	
	Folio : Certificate(s) No.:	
	Distinctive Nos.:	
	No. of Units:	

7 **Processing Charges:** Processing charges of Rs. _____ (Rs _____ only) are payable immediately.

Please call on us on any working day to execute the documents. The loan is also subject to other terms and conditions as mentioned in the document(s) executed / to be executed in connection with the loan and as may be prescribed by the Bank from time to time. The duplicate copy of this arrangement letter may please be returned to us duly signed by you within a period of 45 days from the date of this letter, in token of acceptance of the terms and conditions detailed herein.

Yours faithfully,
 Branch Manager
 Received the original. Terms and conditions accepted.

Date:

Borrower(s)

Annexure -PL-56

DP NOTE

Rs _____

Place _____

Date _____

On demand Sri/Smt _____ promise
to pay the State Bank of India _____ or order the sum of Rupees

_____ for value received with interest from this
day at _____ With _____ Interest.

STAMP

N.B.: Stamps should be cancelled by the maker writing his/her name or initials across them together with the true date of his so writing. VIZ. the date on this note, in addition to his signature on the note.

COS229

STATE BANK OF INDIA

D.P.NOTE DELIVERY LETTER

Place _____

The _____,

State Bank of India

Date: _____

Dear Sir,

Please take delivery of the accompanying Demand Promissory Note dated _____ For Rs. _____ Made by _____ in favour of State Bank of India.

We further request you to note that we dispense with a notice of dishonour in terms of Section 98(a) of the Negotiable Instrument Act, 1881 and that in the event of payment not being made on demand the Bank is at liberty to give time for payment to either of us without discharging the either of us from liability.

Yours faithfully,

COS230

Investor Request for Lien Marking

Date:

Name & Address:

.....
.....
.....
.....

(Name & Address of loan sanctioning Branch)

Dear Sir,

Subject: Lien Against SGBs

Reference: Investor ID/Demat Account Number

In consideration of (hereinafter called "the Bank" or Financier) having granted/ agreeing to grant me/us a Loan Against the Security of (*number of units*) units of **Sovereign Gold Bonds** (hereinafter called "SGBs") under **Investor ID/Demat Account Number** held in my/our name and on the understanding that the Bank is authorised/being given necessary authority to ask **SBI Cap Securities**(hereinafter called "SSL") to note a lien in favour of the Bank on these units in the books of RBI/SSL, I/we hereby authorize RBI/SSL to note a lien on the units mentioned herein in favour of ----- till the same is vacated by the Bank in writing. We further confirm that these units are presently available as free balance and that no lien has been marked on these units.

2. I/we further undertake that I/we shall not transfer/assign/redeem/repurchase/switch/nominate/gift etc., these units during the period that the units are pledged with the Bank. I/We further undertake to indemnify RBI/SSL against any losses, financial or otherwise which may arise out of fraud, mistake etc. I/We hereby authorize RBI to redeem the units in favour of the Bank in case of termination or winding up of the Scheme for any reason whatsoever.

Yours faithfully

Signature

Name

1st Holder : -----

2nd Holder: -----

3rd Holder : -----

Place:

Date:

Annexure LASGB-02

**Letter to be addressed to the MMB/SSL by the Loan Sanctioning Branch:
Noting of Lien on the units of SGBs**

Reference No:

Date:

To,

Dear Sir/Madam,

Subject: Lien Marking on units of Sovereign Gold Bonds (SGBs)

Reference: Investor ID/Demat Account Number

We have entered / propose to enter into an agreement with our client, Mr. /Mrs. /M/s. (“**the Client**”) for granting loan against security by way of lien on Units of Sovereign Gold Bonds (“**the Units**”) held in the name of the Client(s).

The authority letter issued by (*Investor's name*) for marking the Lien in respect of units in our favour is enclosed.

Accordingly, we request you to please note lien in our favour on the Units detailed below:

Lien to be marked in favour of:

Name of the Bank : State Bank of India

Address :
.....

City :

Contact Person :

Email id : Telephone:

Please note that lien marked in our favour should be vacated only on the basis of our written communication to that effect and not otherwise.

Please send the confirmation to that effect at the earliest to the following address:

Mr. _____

State Bank of India

Address – 1: _____

Address -2: _____

Pincode: _____

Email id: _____

Thanking you,

Authorised Signatory

Bank's seal/SS number of official.

Annexure LASGB-03

**Letter to be addressed to the MMB/SSL by Loan Sanctioning Branch:
Invocation of Lien on units of Sovereign Gold Bonds (SGBs) & liquidation in
favor of the bank**

Reference No:

Date:

To,

.....
.....
.....
.....
.....

Dear Sir,

**Sub: Invocation of Lien on units of Sovereign Gold Bonds (SGBs) & liquidation
in favor of the bank**

Reference: Investor ID/Demat Account Number

We had granted a Loan/Overdraft facility against the pledge of units of Sovereign Gold Bonds ("the Units") to our client, Mr. /Mrs. /M/s. ("the Client"), details of which are placed in table below. However, since the said client has failed to repay the loan / maintain the adequate margin, we request you to invoke the lien noted on units and facilitate the liquidation at the Latest Trading Price (NSE/BSE) applicable on the date of receipt of this request at your end.

Sr.No	ISIN	Investment Serial	Holder Name	No. of Units	Date of Lien

Please arrange to release the liquidation payment through direct credit, details of which are mentioned hereunder or issue a cheque in favour of **State Bank of India**, A/c no. and forward the same to our address as mentioned below.

Name of the Bank : State Bank of India

IFSC :

A/c No :

Address :

City :

Contact Person :

Email id : Telephone:

Yours faithfully,

Authorised Signatory

Bank's seal/SS number of official.

UNDERTAKING - LOANS AVAILED OF BY THE APPLICANT

To,
The Branch Manager,
State Bank of India,

.....
.....
(Address of the Loan Sanctioning Branch)

Dear Sir,

LOAN AGAINST SOVEREIGN GOLD BONDS (SGBs) HELD IN PHYSICAL & DEMAT

FORM

UNDERTAKING - LOANS AVAILED OF BY ME/US

Name of Applicant &

With reference to my/our application for sanction of loan under your SBI LOAN AGAINST SOVEREIGN GOLD BONDS (SGBs) HELD IN PHYSICAL & DEMAT FORM Scheme, loans availed by me/us against the security of SGBs, are as under:

Sr. No.	Details of Loan	Loan availed from (Bank/ Financial Institute)	Loan Sanctioned Date	No of units Pledged	Quantity of SGBs pledged (in gms)
	TOTAL				

2. I/we further undertake to intimate/advise you if I/we apply for any other loan(s) in future.

Yours faithfully,

(Signature of the applicant)

Date:

Name:

Address:

.....

CONSENT LETTER

To,
The Branch Manager,
State Bank of India,

.....
.....
(Address of the Loan Sanctioning Branch)

Dear Sir,

LOAN AGAINST SOVEREIGN GOLD BONDS (SGBs) HELD IN PHYSICAL & DEMAT

FORM

CONSENT LETTER FOR SELLING SGBS PLEDGED

Name of Applicant &

With reference to my/our application for sanction of loan under your SBI LOAN AGAINST SOVEREIGN GOLD BONDS (SGBs) HELD IN PHYSICAL & DEMAT FORM Scheme, I/We undertake to immediately regularize the account/replenish the shortfall in the margin, when called upon by the Bank, in case of adverse variation in the market price of the pledged units of Sovereign Gold Bonds (SGBs).

2. I/we further undertake that in the event of my failure to regularise the account immediately, Bank will have the right to get the security transferred in its name and arrange for its sale without any further reference to me. The Bank shall exercise this option without prejudice to its right to recover the dues by other means.

Yours faithfully,

(Signature of the applicant)

Date:

Name:

Address:

.....

**Letter to be addressed to the MMB/SSL by the loan sanctioning branch:
Removal of Lien on units of Sovereign Gold Bonds (SGBs)**

Reference No:

Date:

To,

.....
.....
.....
.....

Dear Sir,

Sub: Removal of Lien on Units of Sovereign Gold Bonds (SGBs)

Reference: Investor ID/Demat Account Number

We had granted a Loan/Overdraft facility against the pledge of units of Sovereign Gold Bonds (SGBs) ("the Units") to Mr. /Mrs. /M/s. ("the Client"), details of which are as under:

Sr.No	ISIN	Investment Serial	Holder Name	No. of Units	Date of Lien

As the aforementioned client has repaid/closed loan/overdraft/credit facility granted against the pledge of the above referred units, we now request you to vacate the lien.

Yours faithfully,

Authorised Signatory
Bank's seal/SS number of official.

**Letter to be addressed to loan sanctioning branch by MMB/SSL:
Confirmation of Marking/Removal/Invocation of Lien on units of Sovereign Gold Bonds
(SGBs)**

Reference No:

Date:

To,

.....
.....
.....
.....
.....

(Address of Loan Sanctioning Branch)

Dear Sir,

Sub: Confirmation of Marking/Removal/Invocation of Lien on units of Sovereign Gold Bonds (SGBs)

Reference: Investor ID/Demat Account Number

We refer to your letter no dated and confirm
Marking/Removal/Invocation of Lien on units of Sovereign Gold Bonds (SGBs) details of
which are as under:

Sr.No	ISIN	Investment Serial	Holder Name	No. of Units

Yours faithfully,

Authorised

Signatory

FORM – III

TRANSFER OF STOCK CERTIFICATES

I/We* (transferor/s) do hereby assign and transfer my/our* interest or share in the inscribed Sovereign Gold Bond number amounting to Rs. being the amount /a portion of the stock for Rs. as specified on the face of this instrument together with the accrued interest thereon to(transferee/s), his / her / their* executors, administrators or assigns, and I/We* do freely accept the Sovereign Gold Bond number to the extent it has been transferred to me/us*.

I/We* (transferee/s) hereby request that on my/our* being registered as the holder/s of the Sovereign Gold Bond transferred to me/us*, the above Sovereign Gold Bond to the extent it has been transferred to me/us* may be renewed in my/our* name(s)/converted in my/our* name(s).

@I/We* (transferor/s) hereby request that on the above transferee(s) being registered as the holder/s of the Sovereign Gold Bond hereby transferred to him/them*, the aforesaid stock certificate to the extent it has not been transferred to him/them* may be renewed in my/our* name (s).

As witness, our hand the day of two thousand and

Signed by the above-named transferor in the presence of**	Signature of transferor..... Address:
Signed by the above-named transferee in the presence**	Signature of transferee.....

*: Delete whichever is not applicable.

@: This paragraph is to be used only when a portion of the Certificate is transferred.

**: Signature, occupation and address of witness. Witness should be different for transferor and transferee.

Transferred:

Sovereign Gold Bond Certificate issued No/s..... Dated

Manager, Application Receiving Office

FORM - XV

Annexure LASGB -09

**APPLICATION FOR TRANSFER OF GOVERNMENT SECURITIES UNDER PLEDGE/
HYPOTHECATION/ LIEN**

To,
The Regional Director
Reserve Bank of India
Public Debt Office

.....
Dear Sir,

Pledge/hypothecation/lien* was created on the securities listed in Schedule 'A' below.
I/we now submit herewith the following documents, namely:

- (1) Original scrips
- (2) Lien Marking confirmation report, and
- (3) Transfer deed executed in our favour

I/We request that the Government securities specified in Schedule 'A' be transferred in
your books of account in my/our favour.

Yours faithfully,

Signature(s) and name(s) of the Creditor(s)

Mailing address:

Dated this day of

Schedule 'A'

Sr.No	ISIN	Investment Serial	Holder Name	No. of Units	Date of maturity	Face Value of Security

For Office use only:

Return Memo

Securities could not be transferred in the books of account of PDO in favour of the Creditor for the following reason(s).

- Discrepancies in the particulars of securities/account no(s).
- Discrepancy in the name(s) of holders.
- Form is incomplete.
- Enclosures not compiled properly.
- Signature not matching.
- Claims in respect of the security are pending.
- Under Stoppage.
- Any other reason.....

Authorised Officer

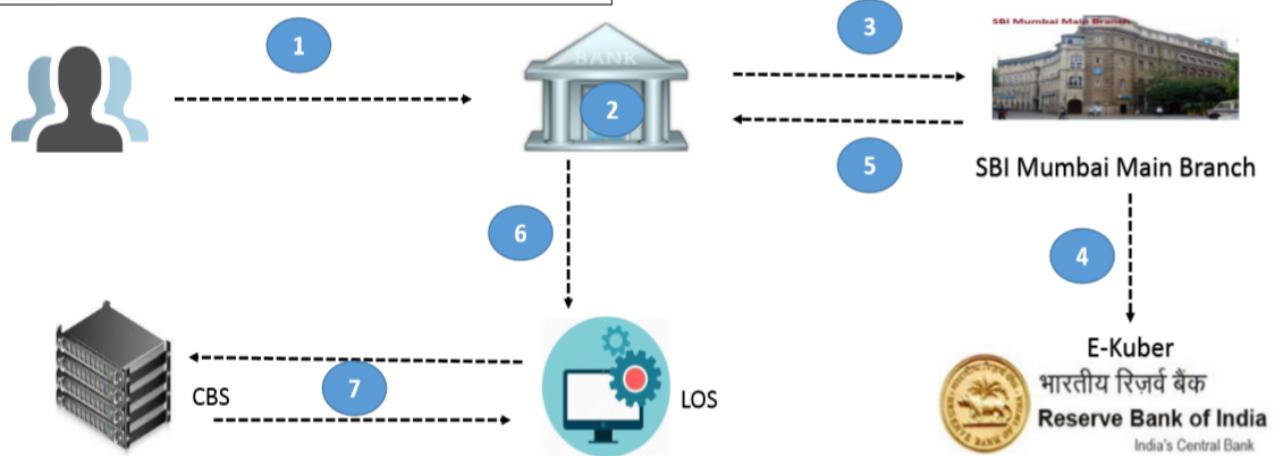
Confirmation

Confirmed that the pledge/hypothecation/lien recorded in respect of the securities has been cancelled and the securities have been transferred in the books of account of Public Debt Office in favour of the creditor(s)

Authorised Officer

SOP and Process Flow for Loan Against Sovereign Gold Bonds

For Sanction of Loan against SGBs in Physical Form

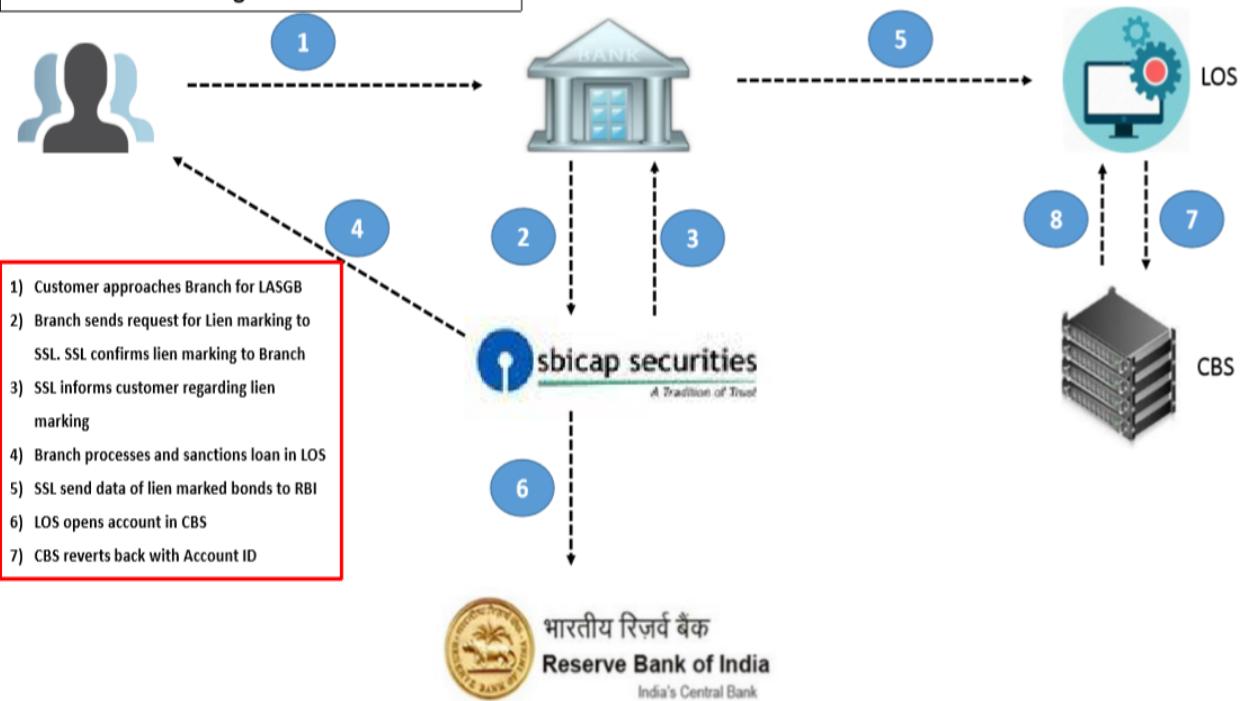


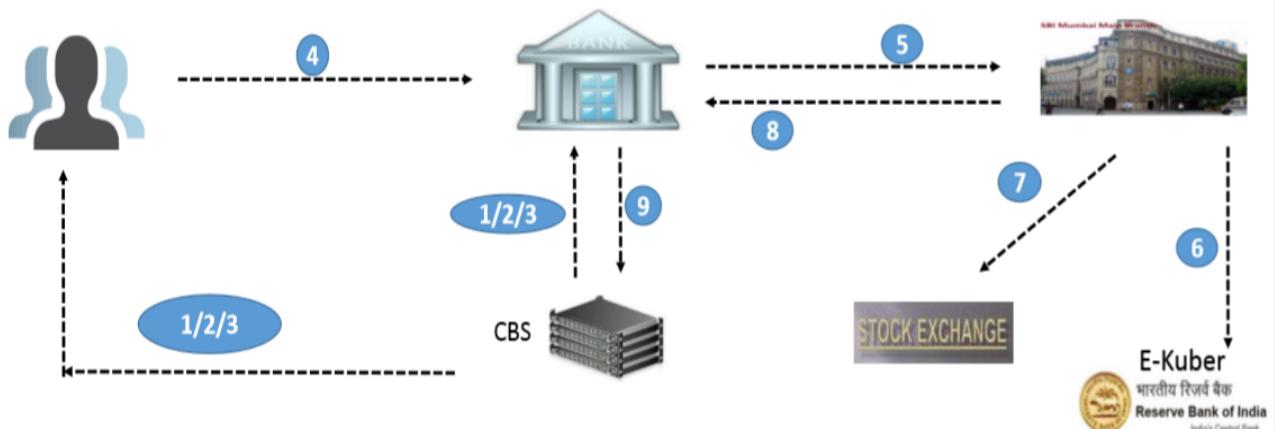
- 1) Customer approaches Branch.
- 2) Branch collects the application/Pledge Request Form and carries out due diligence of the applicant.
- 3) Branch sends the information to SBI Mumbai Main Branch(MMB) for lien marking in E-Kuber portal. This will be through E-mail.
- 4) MMB shall upload/enter details in E-Kuber portal and mark lien.

- 5. MMB will communicate status of lien marking(rejection or acceptance) to the loan sanctioning Branch.
- 6. If lien marking is successful, Branch processes and sanctions loan in LOS and LOS opens account in CBS
- 7. CBS reverts back with Account ID.

For Sanction of Loan against SGBs in Demat Form

Annexure II (Page 2 of 4)



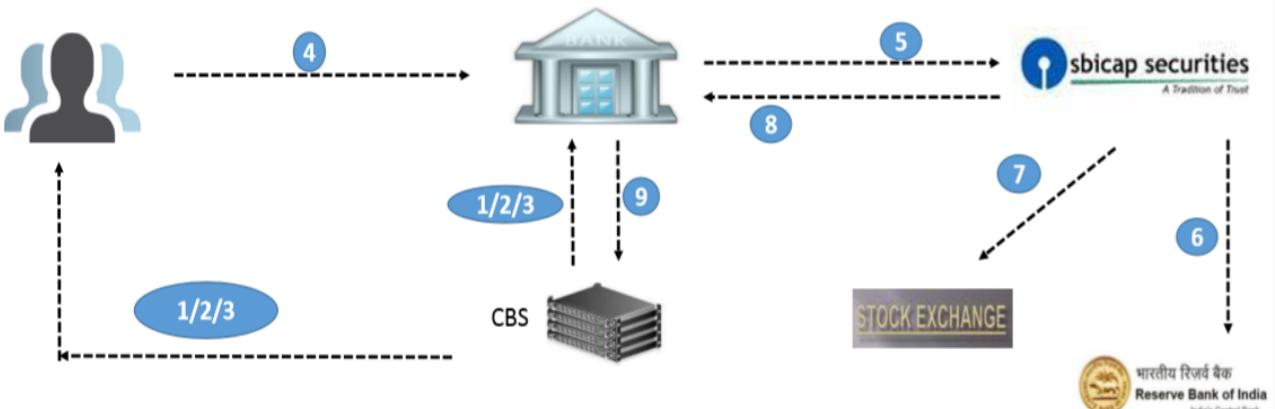


An IT functionality in CBS to monitor all accounts on fortnight basis:

- 1) In case the margin falls below stipulated level, CBS will send alert (SMS/email/notice) to customer.
- 2) If the above position continues then 2nd alert (SMS/email/notice) is to be sent after 15 days from 1st Notice.
3. If the position continues then 3rd Notice is to be sent after 30 days from 1st Notice.
4. Customer approaches the Branch for replenishing the margin

5. In case the customer does not replenish the margin within stipulated time, Branch inform Mumbai Main Branch(MMB) to transfer the ownership of SGBs to Bank.

6. MMB to transfer the SGB to Bank's Investor ID, then convert the SGB to demat form(Demat account of the MMB).
7. MMB to liquidate the securities and credit the proceedings to the loan sanctioned branch's account.
8. MMB advises Branch of the liquidation of securities and closure of Account
9. Branch closes the Loan account. Surplus, if any, to be transferred to Customer's SB Account



An IT functionality in CBS to monitor all accounts on fortnight basis:

- 1) In case the margin falls below stipulated level, CBS will send alert (SMS/email/notice) to customer.
- 2) If the above position continues then 2nd alert (SMS/email/notice) is to be sent after 15 days from 1st Notice.
3. If the position continues then 3rd Notice is to be sent after 30 days from 1st Notice.
4. Customer approaches the Branch for replenishing the margin

5. In case the customer does not replenish the margin within stipulated time, Branch inform SSL to liquidate the SGBs.

6. SSL to sell the SGBs in stock exchange.
7. SSL to inform RBI on liquidation of SGBs.
8. SSL advises Branch of the liquidation of securities and credits the proceedings to the account advised by the Branch.
9. Branch closes the Loan account. Surplus, if any, to be transferred to Customer's SB Account

APPLICATION FORM

For Loans against _____

(Please write the name of the security* against which loan is being applied for) (Security*: Shares/Debentures/Bonds/RBI Relief Bonds/Mutual Fund units/ DAF/ NSCs/ KVPs / Insu. Policies etc.)

STATE BANK OF INDIA
_____ BRANCH

Photo of the
Applicant

Photo of
Co-obligant

(I) PERSONAL INFORMATION

1. Name:

First Name

Middle Name

Surname/Last Name

Co-applicant's

Name:

First Name

Middle Name

Surname/Last Name

2. (i) Applicant's Address:

(R) _____

(O) _____

Telephone No. (R) _____ (O) _____

(ii) Co-applicant's Address:

(R) _____

(O) _____

Telephone No. (R) _____ (O) _____

3. Date of Birth:

Applicant
Day /Month/Year

Co-applicant
Day/ Month/ Year

Years

Years

Age:

_____ Years

_____ Years

Sex:

Male/Female

Male/Female

5. Occupation:

a. Employee (Designation): _____

b. Self-Employed: _____

c. Pensioner: _____

d. Agriculturist: _____

6. Monthly /Annual Income:

Gross Rs. : _____

Net Rs	:	_____
Other Regular	:	_____
Monthly Income Rs.	:	_____
Please specify Source	:	_____
7. Purpose of Loan	:	_____
8. Nature of security offered (given full particulars of _____ shares/debentures, NSCs, _____ US64 Bonds, units of UTI, _____ RBI Relief Bonds, etc.)	:	_____
9. Loan Amount	:	Rs. _____
Proposed Repayment Period	:	_____ Months / Years
Proposed Monthly Repayment	:	Rs. _____
(II) DETAILS OF BANK ACCOUNT:		
Applicant		Co-applicant
10. Name of the Bank	:	_____
Branch	:	_____
Telephone No.	:	_____
Type of Account	:	_____
Account Number	:	_____
Year of Opening	:	_____

(III) DECLARATION:

I/We declare that all the particulars and information given in the application form are true, correct and complete and that they shall form the basis of any loan, State Bank of India may decide to grant me/us.

I/We undertake to inform State Bank of India regarding change in my/our occupation/employment / residential address and to provide any further information that the bank may require.

I/We further authorise the bank to credit all sums received by the bank or standing to the credit in my/our name jointly or severally to the loan account, if necessary.

I/ We confirm that the funds will be used for stated purpose and will not be used for speculative purpose. I/We confirm that we are resident Indians.

I also understand that the sanction of the loan is subject to the execution of documents as per the Bank's requirements. I agree that the Bank has a right to make such enquiries about me as it/they think(s) fit.

Signature of	_____	Applicant	_____	Co-applicant
Place :				
Date :				

(IV) Documentation :

Please submit the following documents along with your application:

- Latest monthly salary slip showing deductions - of Self and Co-applicant.
- Latest Form 16 from employer (for employees). – of Self and Co-applicant.
- Copy of IT return for last two years, duly acknowledged by ITO with computation of income, for others.

- Copy of Passport or Voters ID Card or Driving Licence for proof of Identity
- Copy of Electricity Bill/Telephone Bill/Passport/Voters I-Card for proof of residence.
- Latest Passport size Photograph - of Self and Co-applicant.
- Last six months Bank Statement of the account where salary is credited of Self and Co-applicant.
- Proof of official address (for other than employees)

Signature of

Applicant

Co-applicant

Place: _____

Date: _____

FOR BANK'S USE

Security Offered	Face Value	NAV/Repurchase Value/ Market Value	Margin	Eligible Loan Amount
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

Recommended : _____ Sanctioned : _____ Date : _____
Date : _____

ARRANGEMENT LETTER

For Loans against _____

(Please write the name of the security* against which loan is being applied for)

(Security*: Shares/Debentures/Bonds/RBI Relief Bonds/Mutual Fund units/NSCs, etc.)

To, Shri/Smt./Kum. _____

Date: _____

Dear Sir,

Loan against the security of _____

Loan of Rs. _____

With reference to your application dated _____, we hereby sanction you a Term Loan/Demand Loan/Overdraft* (delete which is not applicable) of Rs _____ (Rupees _____ only) on the following terms and conditions :

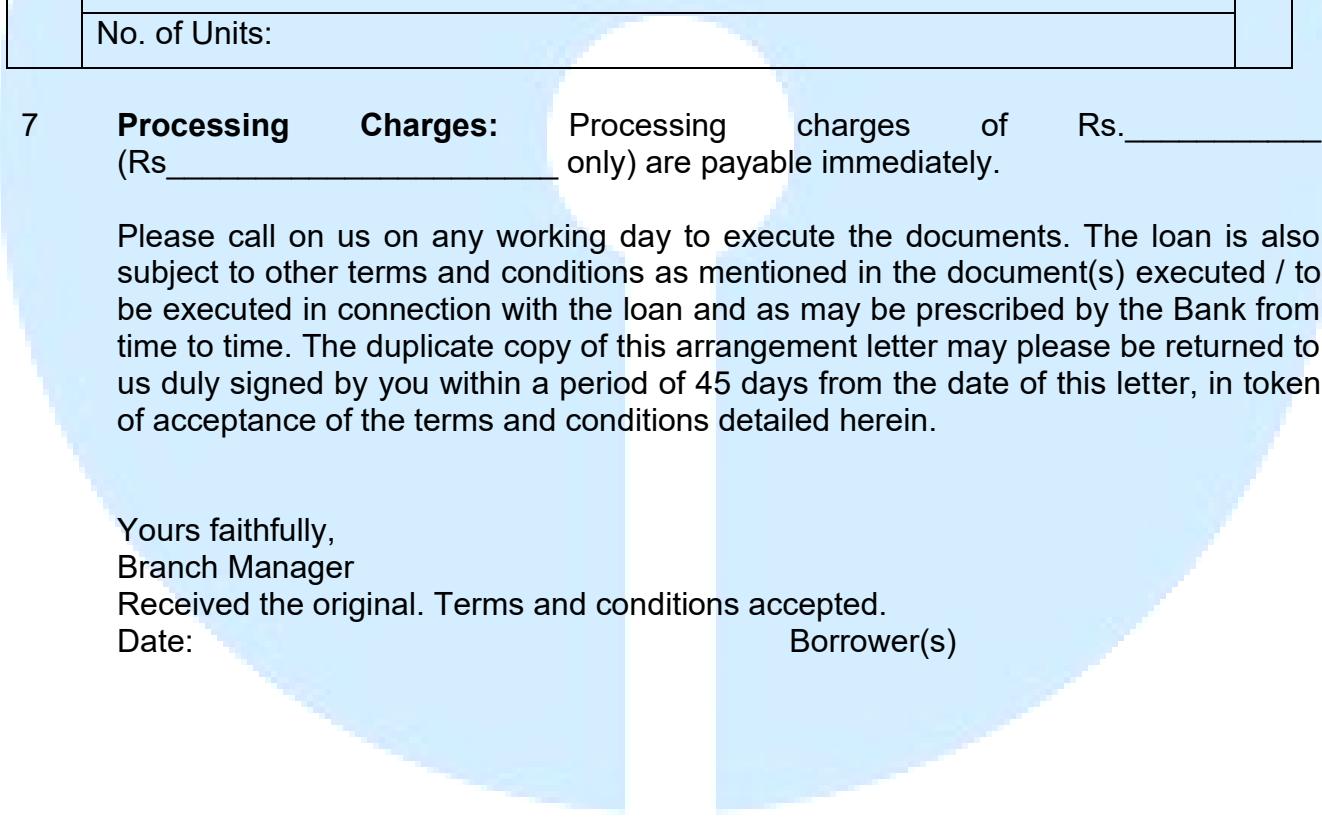
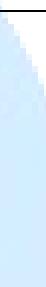
1. Purpose: The loan is sanctioned to you as per your application dated _____
2. Rate of Interest:
Interest on the loan will be charged at _____ % p.a. over the 1 year Marginal Cost of Funds Lending Rate (1 year MCLR) which is currently _____ % p.a., the current effective rate being % p.
a. calculated on daily balance of the loan amount at monthly rests, subject to reset at the end of every year on the basis of prevailing 1 year MCLR as on the date of reset. The Bank shall at any time and from time to time be entitled to vary the Margin and MCLR at its discretion.
The Borrower/ Co-borrower shall be deemed to have notice of changes in the rate of interest whenever the changes in the MCLR Rate are notified at/displayed at the branch notice board or published in a newspaper or in the website of the Bank or made through the statement of account/pass book of the Borrower/ Co-borrower etc. In the event of default in payment of any instalment or any irregularity in the loan account, penal interest at the rate of % p.a. over the stipulated interest rate with monthly rests will be charged for the irregular amount and overdue period.
3. Repayment:
The loan is to be repaid in _____ Equated Monthly Instalment of Rs. _____. The number of equated monthly instalments may increase/vary if the entire loan with interest, cost, charges and expenses is not repaid by/with the stipulated number of equated monthly instalments by reason of increase in the rate of interest or otherwise. The equated monthly instalments will have to be paid till the entire loan with interest is fully repaid. The first instalment commences from the month following the month of disbursement of loan.
4. Notwithstanding anything contained herein above, I/We confirm having agreed that the Bank reserves the absolute right to cancel the limits (either fully or partially) unconditionally without Chapter - F Personal Loans Part - 10 319 BACK TO INDEX BACK TO INDEX prior notice (a) in case the limits/part of the limits are not utilised by

me/ us, and/ or (b) in case of deterioration in the loan accounts in any manner whatsoever, and/or (c) in case of noncompliance of terms and conditions of sanction.

5. In the event of my/we failing to repay any/two or more instalment (s) at any point of time, the Bank may send written reminder or make tele-call/SMS or depute an official to meet me/ us personally, all the incidental charges appurtenant thereto such as postage, telephone/SMS charges, transportation charges, on actual, would be recovered from me/us.

6. Security* : Pledge of under noted securities (if in Demat form)

Nature of security	ISIN No.	Demat A/c No.	DP Name	DP ID No.	Maturity value if applicable	Date of maturity if applicable	Whether security pledged, transferred to Bank

	If the securities pledged are in physical form:	
	Name of the Unit Scheme:	
	Folio : Certificate(s) No.:	
	Distinctive Nos.:	
	No. of Units:	

7 **Processing Charges:** Processing charges of Rs. _____ (Rs _____) only are payable immediately.

Please call on us on any working day to execute the documents. The loan is also subject to other terms and conditions as mentioned in the document(s) executed / to be executed in connection with the loan and as may be prescribed by the Bank from time to time. The duplicate copy of this arrangement letter may please be returned to us duly signed by you within a period of 45 days from the date of this letter, in token of acceptance of the terms and conditions detailed herein.

Yours faithfully,

Branch Manager

Received the original. Terms and conditions accepted.

Date:

Borrower(s)

DP NOTE

Rs _____

Place _____

Date _____

On demand Sri/Smt _____ promise to pay
the State Bank of India _____ or order the sum of Rupees _____
for value received with interest from this day at
With _____ Interest.

STAMP

N.B.: Stamps should be cancelled by the maker writing his/her name or initials across them together with the true date of his so writing. VIZ. the date on this note, in addition to his signature on the note.

COS229

STATE BANK OF INDIA
D.P.NOTE DELIVERY LETTER

Place _____

The _____,
State Bank of India

Date: _____

Dear Sir,

Please take delivery of the accompanying Demand Promissory Note dated _____ For
Rs. _____ Made by _____ in favour of State Bank of India.

We further request you to note that we dispense with a notice of dishonour in terms of
Section 98(a) of the Negotiable Instrument Act, 1881 and that in the event of payment not
being made on demand the Bank is at liberty to give time for payment to either of us without
discharging the either of us from liability.

Yours faithfully,

COS230

Annexure LAMF-01

Investor Request for Lien Marking

Date:

Name & Address:

.....
.....
.....
(Name & Address of loan sanctioning Branch)

Dear Sir,

Subject: Lien Against Units of

Reference: Folio No

In consideration of (hereinafter called "the Bank" or Financier) having granted/ agreeing to grant me/us a Loan Against the Security of (number of units)units of(name of mutual fund scheme) under Folio No..... of SBI Mutual Fund held in my/our name and on the understanding that the Bank is being given necessary authority to ask (name of the Mutual fund) (referred to as the said Mutual Fund) to note a lien in favour of the Bank against these units in the books of the said Mutual fund, I/we hereby authorize the said Mutual Fund to note a lien against the units mentioned herein in favour of till the same is vacated by the Bank in writing. We further confirm that I/we have not availed of any tax benefits against these units and that no lock-in period is applicable on these units. We further confirm that these units are presently available as free balance and that no lien has been marked on these units.

2. Further, this letter also authorizes the said Mutual Fund to pay the value (Redemption price of the said number of units on the date of the Bank's request in writing) of the said units including any accretions/accruals thereon to the said Bank in case of my/our default in repayment of the loan/advances availed by me/us on such communication /demand by the Bank to that effect. Such communication/demand made by the Bank will be binding on me/us and no further communication or information will be required to be given to me/us by the Mutual Fund or its authorized representative/s. This authority in your favor shall not be revoked by me/us except with the prior approval of the Bank in writing and the Bank's consent/agreement to this effect shall be furnished by me/us to the mutual fund.

3. I/We confirm that in case of dividend plan/option under re-investment option, the dividend amount/units issued towards reinvestment of dividend on pledged units and any further accretions on the pledged units by way of bonus shall not be covered under the lien as pledged units.

4. I/we further undertake that I/we shall not transfer/assign/redeem/repurchase/switch/nominate/gift etc., these units during the period that the units are pledged with the Bank. I/We further undertake to indemnify the said Mutual Fund against any losses, financial or otherwise which may arise out of fraud, mistake etc. I/We hereby authorize the said Mutual Fund to redeem the units in favor of the Bank in case of termination or winding up of the Scheme for any reason whatsoever.

Yours faithfully

Signature

Name

1st Holder: (_____)

2nd Holder: (_____)

3rd Holder: (_____)

Place:

Date:

Annexure LAMF-02

Letter to be addressed to the CAMS by the branch:
Noting of Lien on the units issued by SBI Mutual Fund

Reference No:

Date:

To,

Computer Age Manag

Unit: SBI Mutual Fund

7th Floor, Tower

158, Anna Salai

Dear Sir/Madam

Subject: Lien Marking on Units of Mutual Fund

Subject: Ech marking on units
Folio no.:

We have entered / propose to enter into an agreement with our client, Mr. /Mrs. /M/s. (“the Client”) for granting loan against security by way of lien on mutual fund units of SBI Mutual Fund (“the Units”) held in the name of the Client(s).

The authority letter issued by(investor's name) for marking the Lien in respect of units in our favour is enclosed.

Accordingly, we request you to please note lien in our favour on the Units detailed below:

Lien to be marked in favour of:

Name of the Bank : State Bank of India

Name of the Bank : State Bank of India
Address :

City _____

Contact Person :
Email id : Telephone:

With regard to the benefits in the form of Bonus units and the payment, if any, on account of dividend may be issued in the name of(investor's name) only. In case of dividend re-investment, the dividend units re-invested are not subject to lien and as such are free from encumbrances and can be redeemed by the investor. However, the original units on which the Lien is marked shall continue to be pledged in favor of State Bank of India.

Please note that lien marked in our favour should be vacated only on the basis of our written communication to that effect and not otherwise.

We request you to please mark 'lien' in our favour and send the confirmation to that effect at the earliest to the following address:

Mr. _____
State Bank of India
Address – 1: _____
Address -2: _____
Pincode: _____
Email id: _____

Thanking you,

For State Bank of India

Authorised Signatory
Bank's seal/SS number of official.

Annexure LAMF-03

Letter to be addressed to the CAMS by the branch:
Invocation of Lien on SBI Mutual Fund units & redemption in favour of the bank

Reference No:

Date:

To,

Computer Age Management Services (P) Ltd
Unit: SBI Mutual Fund
7th Floor, Tower II, Rayala Towers,
158, Anna Salai
Chennai 600002

Dear Sir,

Sub: Invocation of Lien on SBI Mutual Fund units & redemption in favour of the bank
Folio no.: _____

We had granted a Loan/Overdraft facility against the pledge of mutual fund units ("the Units") to our client, Mr. /Mrs. /M/s. ("the Client"), details of which are placed in table below. However, since the said client has failed to repay the loan / maintain the adequate margin, we request you to invoke the lien noted on units and facilitate the redemption at the NAV applicable on the date of receipt of this request at your end.

Sr.No	Message ID	Scheme / Plan Name	Holder Name	No. of Units

You are requested to release the redemption payment through direct credit, details of which are mentioned hereunder or issue a cheque in favour of **State Bank of India**, A/c no. and forward the same to our address as mentioned below.

Name of the Bank : State Bank of India
IFSC:
A/c No :

Address :

City :
Contact Person :
Email id : Telephone:

Yours faithfully,
For State Bank of India

Authorised Signatory
Bank's seal/SS number of official.

UNDERTAKING - LOANS AVAILED OF BY THE APPLICANT

To,
The Branch Manager,
State Bank of India,

.....
.....
(Address of the Loan Sanctioning Branch)

Dear Sir,

**SBI LOAN AGAINST UNITS OF MUTUAL FUND
UNDERTAKING - LOANS AVAILED OF BY ME/US**

Name of Applicant..... &.....

With reference to my/our application for sanction of loan under your SBI LOAN AGAINST UNITS OF MUTUAL FUND Scheme, loans availed by me/us against the security of shares, debentures and bonds, are as under:

Sr. No.	Details of Loan	Loan availed from (Bank/ Financial Institute)	Amount deducted towards loan a/c (Rs.)
		TOTAL	Rs.

2. I/we further undertake to intimate/advise you if I/we apply for any other loan(s) and/or submit guarantee for the loan availed by any other person with any Bank/Financial Institution, in future.

Yours faithfully,

(Signature of the applicant)

Date:

Name:

Address:

Annexure LAMF-05

Letter to be addressed to the CAMS by the branch:
Removal of Lien on SBI Mutual Fund units

Reference No:

Date:

To,

Computer Age Management Services (P) Ltd
Unit: SBI Mutual Fund
7th Floor, Tower II, Rayala Towers,
158, Anna Salai
Chennai 600002

Dear Sir,

Sub: Removal of Lien on SBI Mutual Fund units

Folio no.: _____

We had granted a Loan/Overdraft facility against the pledge of mutual fund units ("the Units") to Mr. /Mrs. /M/s. ("the Client"), details of which are as under:

Sr. No	Folio No.	Message ID	Scheme / Plan Name	Holder Name	No. of Units

As the aforementioned client has repaid/closed loan/overdraft/credit facility granted against the pledge of the above referred units, we now request you to vacate the lien.

Yours faithfully,
For State Bank of India

Authorised Signatory
Bank's seal/SS number of official

Annexure DAF-06

**AUTHORITY TO RECOVER THE NON-SERVICED INTEREST FROM BALANCE AVAILABLE
IN MY / OUR SB DEPOSIT A/c**

To,
The Branch Manager,
State Bank of India,

.....
.....
(Address of the Loan Sanctioning Branch)

Dear Sir,

SBI LOAN AGAINST MF/DAF

**AUTHORITY TO RECOVER THE NON-SERVICED INTEREST FROM THE BALANCE
AVAILABLE IN MY OUR SB DEPOSIT A/c**

Loan ACCOUNT No.....
SB ACCOUNT No..... PAN No: in the name of
Shri.....

With reference to my application for sanction of loan under your SBI LOAN AGAINST DAF Scheme, I hereby authorize SBI("the bank") to recover the interest amount charged on my loan A/c from the balance available in my aforementioned SB deposit account, if it is not repaid by me within a month from becoming due.

2. This authority letter will be an irrevocable one and shall remain in force till any dues towards my abovementioned loan account remains unpaid.

Yours faithfully,

(Signature of the applicant)

Date:

Name:

Address:

.....

List of Approved Schemes for Loan Against Mutual Fund Units (LAMFU).

EQUITY/ HYBRID/ ETF SCHEMES

Equity / Growth Funds

- SBI Magnum Equity Fund
- SBI Magnum Global Fund
- SBI Bluechip Fund
- SBI Magnum Multicap Fund
- SBI Magnum Multiplier Fund
- SBI Small and Midcap Fund
- SBI Magnum Midcap Fund
- SBI Emerging Business Fund

Sectoral Funds

- SBI Contra Fund
- SBI FMCG Fund
- SBI IT Fund
- SBI Pharma Fund
- SBI Banking & Financial Services Fund

Thematic Funds

- SBI Magnum COMMA Fund
- SBI Infrastructure Fund
- SBI PSU Fund

ELSS Funds (Loan against ELSS Funds will be sanctioned only after the lock in period has expired)

- SBI Magnum Tax gain Scheme 1993
- SBI Tax Advantage Fund – Series I
- SBI Tax Advantage Fund – Series II
- SBI Tax Advantage Fund – Series I

Index Funds

- SBI Nifty Index Fund

Market Neutral Strategy Fund

- SBI Arbitrage Opportunities Fund

Hybrid Funds

- SBI Magnum Children's Benefit Plan
- SBI EDGE Fund
- SBI Magnum Balanced Fund
- SBI Regular Savings Fund
- SBI Magnum Monthly Income Plan
- SBI Magnum Monthly Income Plan - Floater
- SBI Dynamic Asset Allocation Fund

Exchange Traded Funds

- SBI SENSEX ETF
- SBI ETF Banking
- SBI ETF BSE 100

- SBI ETF Nifty Junior
- SBU ETF Nifty

All schemes/ variants of the approved Mutual Fund Scheme will be eligible.

DEBT/ FMP SCHEMES

SBI Debt Fund Series - 366 Days - 54 - Reg	SBI Debt Fund Series 366 Days 40 Reg
SBI Debt Fund Series 16 Months 1 Reg	SBI Debt Fund Series 366 Days 41 Reg
SBI Debt Fund Series 16 Months 2 Reg	SBI Debt Fund Series 366 Days 42 Reg
SBI Debt Fund Series 17 Months 1 Reg	SBI Debt Fund Series 366 Days 44 Reg
SBI Debt Fund Series 18 Months 12 Reg	SBI Debt Fund Series 366 Days 45 Reg
SBI Debt Fund Series 18 Months 13 Reg	SBI Debt Fund Series 366 Days 46 Reg
SBI Debt Fund Series 36 Months 2	SBI Debt Fund Series 366 Days 47 Reg
SBI Debt Fund Series 36 Months 4 Reg	SBI Debt Fund Series 366 Days 48 Reg
SBI Debt Fund Series 36 Months 5 Reg	SBI Debt Fund Series 366 Days 49 Reg
SBI Debt Fund Series 36 Months 6 Reg	SBI Debt Fund Series 366 Days 51 Reg
SBI Debt Fund Series 36 Months 7 Reg	SBI Debt Fund Series 366 Days 52 Reg
SBI Debt Fund Series 60 Months 2	SBI Debt Fund Series 366 Days 53 Reg
SBI Debt Fund Series 60 Months 3 Reg	SBI Debt Fund Series 366 Days-34 Reg
SBI Debt Fund Series A-1 Reg	SBI Debt Fund Series 366 Days-35 Reg
SBI Debt Fund Series A-2 Reg	SBI Debt Fund Series 366 Days-36 Reg
SBI Debt Fund Series A-3 Reg	SBI Debt Fund Series 366 Days-37 Reg
SBI Debt Fund Series A-4 Reg	SBI Debt Fund Series 366 Days-38 Reg
SBI Debt Fund Series A-5 Reg	SBI Debt Fund Series 366 Days-39 Reg
SBI Debt Fund Series A - 10 - Regular Plan	SBI Fixed Interval Debt Series 90 Days 1 Reg
SBI Debt Fund Series A - 11 - Regular Plan	SBI Corporate Bond Fund
SBI Debt Fund Series A - 13 - Regular Plan	SBI Dynamic Bond Fund
SBI Debt Fund Series A - 14 - Regular Plan	SBI Inflation Indexed Bond Fund - Regular Plan
SBI Debt Fund Series A - 15 - Regular Plan	SBI Magnum Income Fund
SBI Debt Fund Series A - 16 - Regular Plan	SBI Magnum InstaCash Fund
SBI Debt Fund Series A - 17 - Regular Plan	SBI Magnum InstaCash Fund - Liquid Floater
SBI Debt Fund Series A - 18 - Regular Plan	SBI Premier Liquid Fund
SBI Debt Fund Series A - 19 - Regular Plan	SBI Short Term Debt Fund
SBI Debt Fund Series A - 20 - Regular Plan	SBI Savings Fund
SBI Debt Fund Series A - 21 - Regular Plan	SBI Treasury Advantage Fund
SBI Debt Fund Series A - 22 - Regular Plan	SBI Debt Fund Series B - 1 (1111 Days) - Regular Plan
SBI Debt Fund Series A - 23 - Regular Plan	SBI Debt Fund Series B - 16 (1100 Days) - Regular Plan
SBI Debt Fund Series A - 24 - Regular Plan	SBI Debt Fund Series B - 17 (1100 Days) - Regular Plan
SBI Debt Fund Series A - 25 - Regular Plan	SBI Debt Fund Series B - 18 (1100 Days) - Regular Plan

SBI Debt Fund Series A - 26 (682 Days) - Regular Plan	SBI Debt Fund Series B - 19 (1100 Days) - Regular Plan
SBI Debt Fund Series A - 27 (366 Days) - Regular Plan	SBI Debt Fund Series B - 2 (1111 Days) - Regular Plan
SBI Debt Fund Series A - 28 (367 Days) - Regular Plan	SBI Debt Fund Series B - 20 (1100 Days) - Regular Plan
SBI Debt Fund Series A - 31 (367 Days) - Regular Plan	SBI Debt Fund Series B - 22 (1100 Days) - Regular Plan
SBI Debt Fund Series A - 32 (367 Days) - Regular Plan	SBI Debt Fund Series B - 23 (1100 Days) - Regular Plan
SBI Debt Fund Series A - 33 (36 Months) - Regular Plan	SBI Debt Fund Series B - 25 (1100 Days) - Regular Plan
SBI Debt Fund Series A - 34 (367 Days) - Regular Plan	SBI Debt Fund Series B - 26 (1100 Days) - Regular Plan
SBI Debt Fund Series A - 35 (369 Days) - Regular Plan	SBI Debt Fund Series B - 3 (1111 Days) - Regular Plan
SBI Debt Fund Series A - 36 (36 Months) - Regular Plan	SBI Debt Fund Series B - 4 (1111 Days) - Regular Plan
SBI Debt Fund Series A - 38 (1100 Days) - Regular Plan	SBI Debt Fund Series B - 6 (1111 Days) - Regular Plan
SBI Debt Fund Series A - 39 (1100 Days) - Regular Plan	SBI Debt Fund Series B - 7 (38 Months) - Regular Plan
SBI Debt Fund Series A - 40 (1100 Days) - Regular Plan	SBI Debt Fund Series B - 8 (1105 Days) - Regular Plan
SBI Debt Fund Series A - 42 (1111 Days) - Regular Plan	SBI Debt Fund Series B - 9 (1105 Days) - Regular Plan
SBI Debt Fund Series A - 43 (1111 Days) - Regular Plan	SBI Ultra Short Term Debt Fund
SBI Debt Fund Series A - 44 (1111 Days) - Regular Plan	SBI Benchmark GSec Fund
SBI Debt Fund Series A - 6 - Regular Plan	SBI Magnum Gilt Fund - Long Term Plan
SBI Debt Fund Series A - 7 - Regular Plan	SBI Magnum Gilt Fund - Short Term Plan
SBI Debt Fund Series A - 9 - Regular Plan	

And any series/Debt funds issued thereof.....

APPLICATION FORM

For Loans against _____
(Please write the name of the security* against which loan is being applied for) (Security*: Shares/Mutual Fund units/ DAF/ NSCs/ KVPs, Insu.Policies etc.)

STATE BANK OF INDIA

BRANCH

Photo of the
Applicant

Photo of
Co-obligant

(I) PERSONAL INFORMATION

1. Name:

First Name	Middle Name	Surname/Last Name
------------	-------------	-------------------

Co-applicant's
Name: _____

First Name	Middle Name	Surname/Last Name
------------	-------------	-------------------

2. (i) Applicant's Address:

(R) _____

(O) _____

Telephone No. (R) _____ (O) _____

(ii) Co-applicant's Address:

(R) _____

(O) _____

Telephone No. (R) _____ (O) _____

3. Date of Birth:

Applicant
Day /Month/Year

Co-applicant
Day/Month/Year

Age:

Years

Years

4. Sex:

Male/Female

Male/Female

5. Occupation:

a. Employee (Designation): _____

b. Self-Employed: _____

c. Pensioner: _____

d. Agriculturist: _____

6. Monthly /Annual Income:

Gross Rs. : _____

Net Rs : _____

7.	Other Regular Monthly Income Rs.	:	_____
	Please specify Source	:	_____
8.	Purpose of Loan	:	_____
8.	Nature of security offered (Given full particulars of NSCs, KVPs, Insurance Policies)	:	_____
9.	Loan Amount	:	Rs. _____
	Proposed Repayment Period	:	_____ Months / Years
	Proposed Monthly Repayment	:	Rs. _____
(II) DETAILS OF BANK ACCOUNT:			
		Applicant	Co-applicant
10.	Name of the Bank	:	_____
	Branch	:	_____
	Telephone No.	:	_____
	Type of Account	:	_____
	Account Number	:	_____
	Year of Opening	:	_____

(III) DECLARATION:

I/We declare that all the particulars and information given in the application form are true, correct and complete and that they shall form the basis of any loan, State Bank of India may decide to grant me/us.

I/We undertake to inform State Bank of India regarding change in my/our occupation/employment / residential address and to provide any further information that the bank may require.

I/We further authorize the bank to credit all sums received by the bank or standing to the credit in my/our name jointly or severally to the loan account, if necessary.

I/ We confirm that the funds will be used for stated purpose and will not be used for speculative purpose. I/We confirm that we are resident Indians.

I also understand that the sanction of the loan is subject to the execution of documents as per the Bank's requirements. I agree that the Bank has a right to make such enquiries about me as it/they think(s) fit.

Signature of	_____	Applicant	_____	Co-applicant	_____
Place :					
Date :					

(IV) Documentation :

Please submit the following documents along with your application:

- Copy of Passport or Voters ID Card or Driving License for proof of Identity
- Copy of Electricity Bill/Telephone Bill/Passport/Voters I-Card for proof of residence.
- Latest Passport size Photograph - of Self and Co-applicant.

Signature of	_____	Applicant	_____	Co-applicant	_____
--------------	-------	-----------	-------	--------------	-------

Place: _____

Date: _____

FOR BANK'S USE

Security Offered	Face Value	NAV/Repurchase Value/ Market Value	Margin	Eligible Loan Amount
------------------	------------	---------------------------------------	--------	----------------------

_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

Recommended: _____ Sanctioned : _____ Date : _____

Date : _____

ARRANGEMENT LETTER

For Loans against _____

(Please write the name of the security* against which loan is being applied for)
(Security*: Shares/Mutual Fund units/NSCs, KVPs, Insurance Policies etc.)

To, Shri/Smt./Kum. _____

Date: _____

Dear Sir,

Loan against the security of _____

Loan of Rs. _____

With reference to your application dated _____, we hereby sanction you a Term Loan/Demand Loan/Overdraft* (delete which is not applicable) of Rs _____ (Rupees _____ only) on the following terms and conditions:

1. Purpose: The loan is sanctioned to you as per your application dated _____
2. Rate of Interest:
Interest on the loan will be charged at _____ % p.a. over the 1-year Marginal Cost of Funds Lending Rate (1-year MCLR) which is currently _____ % p.a., the current effective rate being % p.a.
 - a. calculated on daily balance of the loan amount at monthly rests, subject to reset at the end of every year on the basis of prevailing 1-year MCLR as on the date of reset. The Bank shall at any time and from time to time be entitled to vary the Margin and MCLR at its discretion.
The Borrower/ Co-borrower shall be deemed to have notice of changes in the rate of interest whenever the changes in the MCLR Rate are notified at/displayed at the branch notice board or published in a newspaper or in the website of the Bank or made through the statement of account/passbook of the Borrower/ Co-borrower etc. In the event of default in payment of any instalment or any irregularity in the loan account, penal interest at the rate of % p.a. over the stipulated interest rate with monthly rests will be charged for the irregular amount and overdue period.
3. Repayment:
The loan is to be repaid in _____ Equated Monthly Instalment of Rs. _____. The number of equated monthly instalments may increase/vary if the entire loan with interest, cost, charges and expenses is not repaid by/with the stipulated number of equated monthly instalments by reason of increase in the rate of interest or otherwise. The equated monthly instalments will have to be paid till the entire loan with interest is fully repaid. The first instalment commences from the month following the month of disbursement of loan.
4. Notwithstanding anything contained herein above, I/We confirm having agreed that the Bank reserves the absolute right to cancel the limits (either fully or partially) unconditionally without prior notice (a) in case the limits/part of the limits are not utilized by me/ us, and/ or (b) in case of deterioration in the loan accounts in any manner whatsoever, and/or (c) in case of noncompliance of terms and conditions of sanction.

5. In the event of my/we failing to repay any/two or more instalment (s) at any point of time, the Bank may send written reminder or make tele-call/SMS or depute an official to meet me/ us personally, all the incidental charges appurtenant thereto such as postage, telephone/SMS charges, transportation charges, on actual, would be recovered from me/us.
6. Security*: Pledge of under noted securities

	Name of the Security:	
	Certificate(s) No.:	
	Distinctive Nos.:	
	No. of Certificates / Policies:	

7 **Processing Charges:** Processing charges of Rs. _____ (Rs _____ only) are payable immediately.

Please call on us on any working day to execute the documents. The loan is also subject to other terms and conditions as mentioned in the document(s) executed / to be executed in connection with the loan and as may be prescribed by the Bank from time to time. The duplicate copy of this arrangement letter may please be returned to us duly signed by you within a period of 45 days from the date of this letter, in token of acceptance of the terms and conditions detailed herein.

Yours faithfully,
 Branch Manager
 Received the original. Terms and conditions accepted.

Date:

Borrower(s)

DP NOTE

Rs _____
Place _____
Date _____

On demand Sri/Smt _____ promise to pay
the State Bank of India _____ or order the sum of Rupees _____
for value received with interest from this day at
With _____ Interest.

STAMP

N.B.: Stamps should be cancelled by the maker writing his/her name or initials across them together with the true date of his so writing. VIZ. the date on this note, in addition to his signature on the note.

COS229

STATE BANK OF INDIA **D.P. NOTE DELIVERY LETTER**

Place _____
The _____,
State Bank of India

Date: _____

Dear Sir,
Please take delivery of the accompanying Demand Promissory Note dated _____ For
Rs. _____ Made by _____ in favor of State Bank of India.
We further request you to note that we dispense with a notice of dishonor in terms of
Section 98(a) of the Negotiable Instrument Act, 1881 and that in the event of payment not
being made on demand the Bank is at liberty to give time for payment to either of us without
discharging the either of us from liability.

Yours faithfully,

COS230

A/C No _____

SECURITY DELIVERY LETTER

_____ 20

The _____
STATE BANK OF INDIA

Dear Sir,

Please take delivery of the undenoted securities which* have been transferred as security into the name of the Bank and hold them as security for all moneys now owing or which shall at any time hereafter be owing from me/us in any manner whatsoever, whether solely or jointly with others.

Interest on the securities is to be credited as it falls due to my/our account. On maturity of the securities, please liquidate the loan availed by me and pay the remaining proceeds.

Yours faithfully,

Particulars of Security

Name of the Security	Security No	Date of issue	Security value	Maturity date of the security	Maturity value of the security

*Alternatives not required should be deleted, and any other necessary alteration made, under the borrower's initials.

LOAN AGREEMENT -SPECIFIED SECURITIES

(To be stamped as an agreement in accordance' with the Stamp Act in force in the state in which this document is executed and not to be attested)

..... (Place)
..... (Date)

To

STATE BANK OF INDIA

In consideration of the State Bank of India (hereinafter called "the Bank") at the request of the undersigned

(1)

(Security /Deposit Holder),

(2)

(Security /Deposit Holder),

(3)

(Security /Deposit Holder) and

(4)

(Security /Deposit Holder),

(Full address of all has to be given)

(Hereinafter collectively referred to as "Depositors ") having agreed to grant and having granted Cash Credit Limit(s) of Rs..... / Demand
Loan(s) of Rs..... / Overdraft(s) of Rs..... /Advance(s)
of Rs..... / Other Banking accommodation(s) including Letter of Credit, Bank Guarantee facility(s) of Rs and such other facilities (hereinafter referred to as ' banking facilities')

to

(A)

(Borrower other than Depositor)

(B)

(C)

(Borrower other than Depositor)

and the said

(D)

.....
(Borrower -who is also Depositor)

(E)

.....
(Borrower who is also Depositor)

(F)

.....
(Borrower who is also Depositor)

(G)

.....
(Borrower who is also Depositor),

(Full address of all has to be given)

(hereinafter (A), (B), (C), (D), (E), (F) & (G) are referred to as 'Borrowers', which will include all of them / one of them or some of them),

Depositor(s) hereby deposit/ have deposited with the Bank and/or agreed with the Bank to hold the securities mentioned in the Schedule hereto (hereinafter referred to as the 'said securities') as security for the due performance by the Borrowers and/ or any of them or any of the terms subject to which the aforesaid banking facilities granted / to be granted and for repayment on demand to the Bank of. all and every sum or sums of money which shall for the time being be owing to the Bank on any account from the Borrowers or any of them for banking facilities or for the other money for which the Borrowers or any of them may be liable on any account to the Bank whatsoever with all interest, commission, discount and banking charges including legal charges occasioned by or incidental to the said indebtedness to the Bank or by or to the enforcement of any security held by the Bank. Depositors hereby confirm and agree that such security shall also be available as a security for repayment to the Bank for any amount which shall for the time being be owing to the Bank on any account from the Borrowers or any of them jointly with any other person or persons or firm or company, for banking facilities, which the Borrowers or any of them may be liable jointly with others aforesaid on any account whatsoever with all interest, commission, discount and banking charges including legal charges occasioned by or incidental to the said indebtedness to the Bank or by or to the enforcement of any security held by the Bank.

2. Depositors agree that upon default by the Borrowers or any of them in repayment, on demand, all or any sum of dues / money secured as aforesaid or in the case of any of the Borrower or my/our becoming bankrupt or in the event of breach of any of the terms and conditions of the sanction of banking facilities'; the Bank shall be entitled immediately or at any time thereafter to realise the said securities (including dividend on shares) (even by premature closure of the security(s)/ deposit(s)) and apply the net proceeds in or towards the

discharge of the moneys hereby secured.

3. This security shall be binding as a continuing security on Depositors and their representatives and shall not be prejudiced by the failure on the part of the Borrowers or any of them or any of the terms subject to which the aforesaid banking facilities may be granted and the Bank shall be at liberty without thereby affecting their rights against Depositors hereunder or the said securities or any collateral or other security now or hereafter held or taken by the Bank at any time, to determine, enlarge or vary any credit to

the Borrowers or any of them to vary exchange or release any such securities for or on account of moneys intended to be hereby secured or any part thereof to renew bills and promissory notes in any manner and to compound with, give time for payment, to accept compositions from and make any other arrangements with the Borrowers or any of them or any obligants on bills, notes or other securities held or to be held by the Bank for and on behalf of the Borrowers or any of them.

4. This security shall be in addition to and shall not be in any way prejudiced or affected by any collateral or other security now or hereafter held or taken by the Bank for all or any part of the moneys hereby secured nor shall such collateral or other security or any lien to which the Bank may be otherwise entitled or the liability of any person or persons not parties hereto for all or any part of the moneys hereby secured be in any wise prejudiced or affected by this present security and the Bank shall be at liberty to release or forbear to enforce all or any of its remedies upon or under this security or any collateral or other security now or hereafter held or taken by the Bank and that no such release or forbearance as aforesaid shall have the effect of releasing Depositors from the liability hereunder or of prejudicing the Bank's rights and remedies against Depositors hereunder and Depositors shall have no right to the benefit of any other security that may be held by the Bank until the claim of the Bank against the Borrowers on any account whatsoever shall have been fully satisfied and then in so far only as such securities shall not have been exhausted for the purpose of realising the amount of the Bank's claims and rateably only with other guarantors or other persons (if any) entitled to the benefit of such securities respectively and the Bank shall have full power at their discretion to give time for payment to or make any other arrangement with the Borrowers) or any such other person or persons without prejudice to this security or Depositors' liability hereunder. And all moneys received by the Bank from the Borrowers or any person or persons liable to pay the same may be applied by the Bank to any account or item of account or to any transaction to which, the same may be applicable.

5. Depositors declare that where the security(s) / deposit(s) i.e., Term Deposit(s) is/ are taken as security(s), the said security(s) / deposit(s) will continue as security(s) even after the renewal(s) of the said security(s) / deposit(s).

6. Where the security(s) / deposit(s) are foreign currency security(s) / deposit(s). Depositors hereby authorise you to convert foreign currency security(s) / deposit(s) on due date(s) by applying SBI TT' buying rate ruling on that date and adjust the proceeds towards the liabilities in the said banking facilities.

7. Depositors declare that on maturity of the security(s) / deposit(s), the proceeds of the said security(s) / deposit(s) will be utilised to clear all outstanding /liabilities in the said banking facilities and after such adjustment, the balance, if any, in the said security(s) / deposit(s) be paid to the Depositor by your bankers' cheque or by credit to the account No._____.

8. In the event of any money hereby secured remaining unpaid after becoming payable or the value of the said securities at any time being insufficient in the Bank's opinion, Depositors authorise you through your agents and nominees without notice to the Depositor to sell and realize the said securities or any part thereof at such times and prices and generally in such manner as the Bank in its absolute discretion shall think fit without being liable for any loss. Depositors undertake to accept the Bank's accounts of sales as conclusive evidence of the matters therein.

9. The security hereby created shall not be discharged by any partial payments or fluctuations of accounts or the existence of a credit balance or any account at any time.

10. Depositors declare that the said securities are their own absolute property and free from any claims and encumbrances whatsoever and that they have absolute power of disposal over the same and undertake to do whatsoever may be required to be done by them to give effect to any provisions thereof.

11. Borrowers and Depositors, hereby agree and give consent for the disclosure by the Bank of all or any such information and data relating to Borrowers; data / information relating to my/our obligation in any credit facility granted / to be granted to Borrowers by the bank, and in case of default, if any committed by Borrowers, in discharge of their obligations, as the State Bank of India may deem appropriate and necessary, to disclose and furnish to Credit Information Bureau (India) Ltd. (CIBIL) and any other agency authorised in this behalf by RBI.

12. Depositors and Borrowers undertake that CJBIL and any other agency so authorised may use, process the said information and data, disclosed by the bank, in the manner as deemed fit by them. They may also furnish for consideration the proposed information and data, or products thereof prepared by them, to banks / financial institutions and other credit grantors or registered users, as may be specified by the RBI in this behalf.

13. The security hereby created shall not be affected by any change in the constitution or style of any firm (whether consisting of or reduced to one individual at any time) to whose liability such security may relate.

THE SCHEDULE ABOVE REFERRED TO

Particulars of the “Pledged Securities”

(Shares, Insurance Policies, Security(s) /Deposit(s), TD/STD A/C, Foreign Currency Security(s) / Deposit(s), NSCs KVPs, Bonds, etc.)

Dated this **Day of** **Two thousand**

Borrowers / Depositors

1)

2)

3)

4)