

## **CONSUMER EDUCATION**

### **EQUATED MONTHLY INSTALMENTS (EMI)**

EMIs are calculated based on loan amount, loan repayment tenure and rate of interest availed. EMI is the total amount of principal and interest repayment that is paid on monthly basis for the tenure of the loan as applicable. Once the EMI is paid, the principal component reduces the total loan outstanding amount.

### **EMI PAYMENTS ON DUE DATE & DELAYED PAYMENT CHARGES**

The due date of all MSME loans shall be on 5th of is as per agreed date of every month. Customers are requested to ensure sufficient amount in their designated bank account at least one day prior to the said due date of EMI repayment as the payment is preferred using NACH.

### **DELAYED PAYMENT CHARGES**

Dishonoured Cheque / Failed NACH would attract both bounce charges for each instant as well as late payment charges for the delayed period till the EMI is paid.

### **CONCEPT OF DATE OF OVERDUE AND NPA**

The EMIs or the repayment dues are expected to be paid on or before the Due Date. Post the Due Date, it becomes overdue. The Non-Performing Assets (NPA) refers to those loans aggregated at the customer level where repayment dues / EMI were not paid on time for a period of more than 90 days.

### **NON-PERFORMING ASSETS (NPA) CLASSIFICATION BASED ON DAY-END PROCESS**

Classification of borrower accounts as Special Mention Account (SMA) as well as NPA shall be done as part of day-end process for the relevant date and the SMA or NPA classification date shall be the calendar date for which the day end process is run.

Example: If an account crosses 90 days on due date, say 5th December 2024, then it is classified as an NPA on 5th December 2024.

### **NPA UPGRADATION**

Loan accounts classified as NPAs can be upgraded as 'standard' asset only if entire arrears of interest and principal are paid by the borrower. Any partial amount collected which reduces the number of EMIs pending to less than 3 EMIs, will not result in upgradation of the asset.

Example: An NPA account is having 4 EMIs due. Earlier, if 2 EMIs were collected, then the account was upgraded to Standard asset. As per the Revised norms, only if all the 4 EMIs due are collected in full and the account is rolled-back to X-bucket, the account will be treated as resolved and classified as standard.

Once a loan crosses 90 Days Past Due (DPD), it will be flagged as a NPA in the system on that date. Such flag will be removed only when the asset reaches 0 DPD, i.e., when the entire arrears is cleared or when the loan is settled and closed.

**Responsible Lending Conduct:**

Through its published in website or as appropriate if specific to a customer, GrowXCD will give Notice to its Borrower(s), of any change in the terms and conditions of the sanction. GrowXCD will also ensure that changes in interest rates, fees and charges are effected only prospectively.

Decision to recall/ accelerate payment or performance under the Agreement will be in consonance with the respective loan Agreement.

GrowXCD will release all securities of its Borrower only on repayment of all dues by such Borrower, or only on realization of the outstanding amount of the Borrower's availed limit, subject to any legitimate right or lien for any other claim which GrowXCD may have against its Borrower. If such right of set off is to be exercised, the Borrower will be given notice about the same with full particulars about the remaining claims and conditions under which GrowXCD will be entitled to retain the securities till the relevant claim is settled or paid by the Borrower.

GrowXCD shall release all the original movable / immovable property documents and remove charges registered with any registry within a period of 30 days after full repayment/ settlement of the loan account along with No objection certificate.

In case of failure to release the documents before 30 days, a sum of Rs.5000/- for each day of delay shall be paid by GrowXCD. In case of loss/damage to original immovable property documents, either in part or in full, GrowXCD shall assist the borrower in obtaining duplicate/certified copies of the immovable property documents and shall bear the associated costs, in addition to paying compensation as indicated above. However, in such cases, delayed period penalty will be calculated after 60 days. The above is without prejudice to the right of Borrower as per applicable law.

GrowXCD shall give its Borrowers with options of collecting the original movable / immovable property documents either from its branch where the loan account was serviced or from any other office of GrowXCD where the documents are available, **In the event of demise of the Borrowers or Joint Borrowers:**

The legal heirs of such Borrowers alone shall be entitled to claim/ collecting the original movable / immovable property documents from GrowXCD. In such instance, all legal heirs of such Borrower should be physically present in the branch for collecting the original movable / immovable property documents, if all legal heirs of the borrowers are unable to visit the branch, an authorization letter in favour of any one of the legal heir to be produced. If one or more legal heirs are minors, the natural guardian or the court appointed guardian should collect the documents on behalf of the said minor legal heirs.

The following documents are accepted as valid proof of death and legal heirs of the deceased.

- Death certificate of the title holder issued by respective municipalities
- Legal Heir certificate issued by Revenue authorities / Thasildar or Succession Certificate issued by a jurisdictional court or
- Letter of Administration
- Magistrate/ District Civil court endorsement on an affidavit detailing the legal heirs
- In the event of a dispute among the legal heirs, a court issued Succession Certificate/Letter of Administration alone will be accepted as authenticated proof of legal heirs.