

Memorandum of Understanding

This Memorandum of Understanding (MOU) is made on 23rd day of March 2016 between Navy Group Insurance Fund registered under Societies Registration Act (XXI) of 1860 having its Registered Office/Corporate Office at Integrated Headquarters, Ministry of Defence (Navy), New Delhi 110011, through Commodore H.S. Chopra, PDNPF, (duly authorised to enter into the present MOU), hereinafter referred to as 'NGIF' (Which term shall mean and include its successors in title, subsidiaries, associates, Affiliates and assigns) of the ONE PART

AND

DCB Bank Ltd, a body corporate, constituted under the Banking Regulation Act 1949, having its Corporate Office at Peninsula Business Park, 6th Floor, Tower A, Senapati Bapat Marg, Lower Parel, Mumbai (w) - 400013 through Shri Praveen Kutty and Shri Debashis Das (duly authorised to enter into the present MOU), hereinafter referred to as 'DCB BANK' (which term shall mean and include its successors and assigns) of the OTHER PART.

NGIF and Bank are collectively referred to as 'the parties'

Whereas,

1. NGIF provide Home Loans, currently up to Rs.40 lacs for officers and Rs.20 lacs for sailors respectively, which are subject to revision from time to time, to the serving Indian Navy personnel.
2. To benefit the members of NGIF to obtain Home Loans for amount over and above the maximum amount of loan granted by NGIF, NGIF desires an arrangement with DCB BANK to extend Home Loans and Home Top-up Loan (hereinafter referred as Loan) for its members on all India (excepting the state of Jammu and Kashmir) basis on pari-passu charge. In consideration of the loan facilities, the two parties have agreed to execute the present MOU on the terms and conditions mentioned below:



Now it is agreed by and between parties hereto as follows:

3. That Bank shall grant the loan to in-service Indian Navy personnel who are members of NGIF and are receiving their salary through the account opened under Defence Salary Package (DSP) with any branch of DCB Bank or any Scheduled Commercial Bank in India. Loans under this arrangement will be sanctioned and disbursed subject to the compliance of norms stipulated by DCB BANK from time to time in respect of Home Loans and Home Top-up Loans.

Some of the important norms in respect of Home Loans in DCB BANK are as follows:

(a) **Purpose:**

- Purchase / construction of new / resale house / flat
- repair/renovation/extension of an existing house /flat,
- re-imbursement of investment made from own resources during the preceding nine months for purchase of property/construction of house,
- Takeover of Home Loan from other Banks/HFCs.
- Home Top-up Loan to existing Home Loan borrowers with a satisfactory repayment record of at least one year for meeting personal purposes, such as expenditure on education, marriage, health care, etc. other than speculative purpose, provided possession of the house has been taken by borrower and valid mortgage has been created in favour of NGIF/ Bank.

(b) **Quantum of Finance:**

The quantum of Home Loan will be capped at Rs.100 lacs and will be calculated by DCB BANK taking in to account the following:

- Age of applicants and loan tenors,
- Repayment capacity of applicants based on their net monthly income,
- Total project cost, and
- Applicable Loan to Value (L TV) ratio.

In addition to the applicant's income, Income of spouse/children/parents/siblings may also be considered for arriving at maximum loan amount provided they are joining the loan as co-borrower or guarantor as the case may be.

(c) **Loan Tenor:**



Home Loans: Maximum upto 20 years inclusive of moratorium period, subject to liquidation of the Home Loan before the borrower attains the age of 65 years.

Home Top-up Loan: The maximum permissible tenor of the loan will be the residual tenure of underlying Home Loan or 15 years, whichever is higher, subject to liquidation of the loan before the borrower attains the age of 65 years.

(d) Repayment:

Loan shall be repaid by way of EMIs. However, borrowers may make pre-payment in the account over and above the payment of regular EMIs without any pre-payment penalty.

(e) Security:

Home Loan/Home Top-up Loan will be secured by Parri-passu charge on the property mortgaged to NGIF to secure the Home Loan availed by the Indian Navy personnel from NGIF. NGIF shall note the Parri-passu charge of DCB BANK in its records over and above the outstanding in their books. The detailed modalities in this regard are placed in annexure-'A'.

(f) Insurance:

(i) Insurance of Property:

The house/flat purchased/constructed with the Bank's finance shall be insured against the risk of fire/riots/earthquakes/lightning, floods, etc. in the joint names of the borrower and the Bank for the value of the construction. However, value of the land will not be included in the sum insured. The cost of the insurance shall be borne by the borrowers.

(ii) Life Insurance of Borrower:

Life Cover equivalent to loan amount from any Insurance Company with whom DCB BANK may have a tie-up arrangement will be made available to all Home Loan borrowers under this arrangement. The amount of insurance premium payable to Insurance Company may be added to loan amount and the same will then be payable by way of EMIs.

(g) Rate of Interest:

Interest on Home Loan/Home Top-up Loan will be floating interest rate linked to DCB Bank Base Rate. The Base Rate of DCB BANK and interest rate structure is



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subject to change from time to time. The current interest rate structure on Home Loan and Home Top-up Loan is as under:

Home Loan – 10.85%

Home Top-up Loan – 11%

Top-up loan amount/Term Loan/Payless – 11%

5. Home Loans under this arrangement will be granted by the Delhi Branch of DCB BANK or any other Branches identified by DCB BANK located near the residence of the borrower or location of the property to be financed by DCB BANK as per convenience of the borrower.

6. DCB BANK shall take-over the housing loan outstanding in the books of NGIF at the time of superannuation/retirement of Indian Navy Personnel or even before the superannuation/retirement of the Indian Navy Personnel on his/her written request. In such cases, the original Title documents will be handed over by NGIF to DCB BANK and DCB BANK shall have First charge over the property. The detailed modalities in this regard are placed in annexure-'B'.

7. Under this arrangement, NGIF would only be a facilitator in recovery of loan granted by DCB BANK. NGIF would not be liable and responsible for any default by the borrower on any account.

8. This MOU shall be valid for a period of Five years i.e. up to March 2021, which may be further extended as mutually agreed by both parties. However, either party can terminate this MOU by giving a notice of 90 days in writing. However, all the clauses of the MOU shall be binding and enforceable in respect of outstanding loans on the date of termination irrespective of such termination.



A large, stylized handwritten signature in black ink, likely belonging to an official from the Naval Head Office.

A circular stamp from DCB Bank Limited, Corporate Office, Mumbai. The text inside the stamp includes "DCB BANK LIMITED", "CORPORATE OFFICE", and "MUMBAI". A handwritten signature is written over the stamp.

In WITNESS WHEREOF, the parties herein through their authorized representative have signed this MOU on the date and place mentioned herein in presence of the under mentioned witnesses.




Signed on behalf of NGIF

Name: Commodore H.S. Chopra



Signed on behalf of DCB BANK

Name: Praveen Kutty



Name: Debashis Das

Witnessed by:

1. Signature:

Name: Captain S. Sharma



2. Signature:

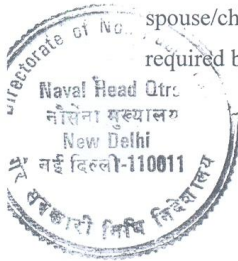
Name: Shveta Kinra



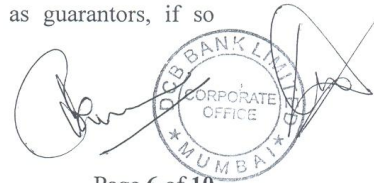
Annexure- 'A'

Modalities Regarding Loan Granted on Pari-passu Charge basis for Loans over and above the Limit provided by the NGIF

1. In service Naval personnel would directly approach DCB Bank for purpose of availing loan facilities for purposes as enumerated in the MOU along with all necessary documents as may be required by DCB Bank for the loan sanction process.
2. DCB Bank will have the option of confirming the details of the loan including sanction amount, current loan outstanding and property documents submitted by customer, directly from NGIF. DCB Bank will also be given access on specific request to the all photographs of the property as may be available with NGIF at the time of loan sanction as well as during subsequent disbursements in case of part constructed or self constructed properties.
3. The eligible loan amount will be decided by the Bank based upon the age of the applicant, eligibility criteria, repayment capacity, value of the property etc. at the time of sanctioning of loan. The discretion of the bank will be final and binding on all parties concerned and the Bank has the right to decline any proposal, which does not meet the eligibility criteria stipulated by the bank.
4. The Bank will advise NGIF of loan amount sanctioned in respect of the forwarded proposal. The NGIF would record Bank's exposure in its book and would send confirmation having noted pari passu in favour of DCB BANK. The required set of documents for creation of pari-passu charge is placed in Annexure - 1 to 2 will be exchanged between the Bank and NGIF.
5. If the proposed property is held jointly with the spouse, then spouse has to join as co-borrower. In cases where the property is held in single name of the borrower, the spouse/children/parents/siblings may join as co-borrower or as guarantors, if so required by the bank for purpose of loan sanction.



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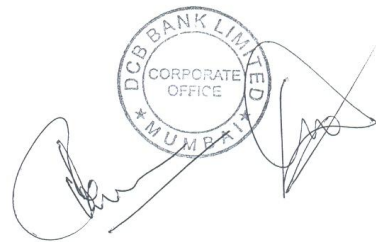
Annexure- 'B'

Modalities Regarding Takeover of outstanding Loans in the books of NGIF at the superannuation/retirement of Indian Navy Personnel

1. NGIF will provide a list of documents and copies the property documents deposited with them regarding title of the property and a certificate regarding current outstanding and regularity of repayment in the Home Loan account of the retiring personnel three months before due date of retirement to DCB BANK.
2. On receipt of intimation from NGIF together with the loan application of the retiring personnel, Bank will scrutinize the proposal and eligible loan amount will be decided by DCB BANK as per Home Loan Scheme and will be advised to NGIF.
3. In cases where eligibility of Home Loan amount in terms of Bank's norms is lower than the outstanding in the books of NGIF, the retiring personnel will repay the excess amount directly to the NGIF from their superannuation/retirement benefit before taking over Home Loan by the bank from NGIF.
4. The bank will complete the documentation process and remit the outstanding loan amount to NGIF. Upon receipt of outstanding amount from the Bank, NGIF will immediately handover the original title deeds of property and other documents, if any to the representative of DCB BANK.
5. The pension account of the borrower has necessarily to be maintained with DCB BANK branch or any other scheduled commercial bank to recover EMIs till full recovery of the loan. An irrevocable Standing Instructions would be obtained from the borrower (s) towards deduction of monthly EMI.



Just now



LETTER TO BE ADDRESSED BY DCB BANK TO NGIF

Annexure-1

The
NGIF,
Dear Sir,

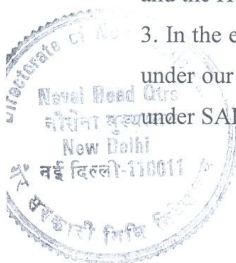
Creation of Pari passu charge

Shri/Smt. (name of the Borrower)

We have been informed by the above mentioned borrower that the property situated at(place) is mortgaged to you by way of deposit of title deeds by the borrower w.e.f(date) for securing a sum of Rs _____ advanced by you as Home Loan to the said borrower. The said borrower is now desirous of borrowing a sum of Rs..... being Home Loan/Home Top-up Loan from us for the purpose of construction/completion/extension of the house/flat or As per the terms and conditions of the Home Loan/Home Top-up Loan sanctioned by us it is required to be secured by way of mortgage of the borrower's said property which is already mortgaged to you as stated above.

2. We hereby request and authorize you to hold the document(s)/deed(s) of title relating to the said property deposited with you by the Borrower for and on behalf of us also, on creation of pari passu charge in our favour by the said borrower to secure the said amount of Rs. sanctioned by us. We further request you to hold the said document(s)/deed(s) of title deeds until the entire amount of Home Loan granted and to be granted by us along with interest, costs, charges and expenses is repaid to us by the Borrower and that in the event of default on the part of the said borrower as per the terms and conditions of the loan granted by you, to realise the said security for and on behalf of us also. It is also requested that the proceeds so realised may be proportionately appropriated/applied in the ratio of the Home Loan amount due to you and the Home Loan amount due to us.

3. In the eventuality of happening of event of default on the part of the said borrower under our loan documentation we shall be free to initiate legal action including action under SARFAESI Act against the borrower including inter-alia enforcing/realising the



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Security as above stated with due regard to our inter-se arrangement for the said security.

4. Accordingly we have advised the borrower to create a Parri-passu charge in our favour with you as stated above. Please confirm the same and intimate to us your acceptance of the above proposal. A copy of the Memorandum of entry be forwarded to us for our records.

Place:

Date:

(Authorized Signatory, DCB BANK)



A large, stylized handwritten signature in black ink, written over a horizontal line.



Annexure-2

LETTER TO BE ADDRESSED BY NGIF to DCB BANK

The Manager

DCB Bank Ltd

Creation of parri-passu charge in favour of DCB BANK

Shri/Smt. (called as 'borrower')

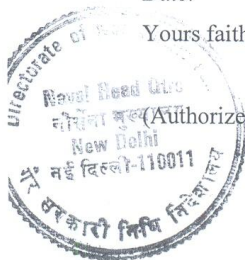
Please refer to your letter No _____ dated _____ whereby you have requested and authorised us to hold the document(s)/deed(s) of title relating to the property situated at _____ belonging to Shri/Smt _____ (borrower) for and on your behalf. This is to confirm that the said borrower has created on _____ (date) a further pari passu charge on the said property by authorising us to continue to hold the documents of title deeds to the said property for and on your behalf also to secure a sum of Rs. _____ (Rupees) _____ sanctioned by DCB BANK to the said borrower on _____ (date) and we continue to hold the said documents as intended for and on your behalf. A copy of the memorandum of deposit of title deeds recorded in our books on _____ (date) is enclosed for your record.

We further confirm that we shall continue to hold the documents of title relating to the said property till you advise us of the repayment of entire Loan amount advanced by you to the said borrower along with interest, costs, charges and expenses. We also confirm that in the event of the default on the part of the said Borrower, as per the terms and conditions of the loan advanced by us we shall realise the said security on your request and share the proceeds thereof in proportion to the ratio of the outstanding loan amount due to us and to you.

Place:

Date:

Yours faithfully,



(Authorized Signatory, NGIF)

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