

## PERSONAL LOAN - MOST IMPORTANT TERMS & CONDITIONS

Individuals applying for personal loan ("Borrower") from Equitas Small Finance Bank ("Bank") will be bound by these Terms of Agreement in addition to the Terms and Conditions governing Borrower's savings account with the Bank and the terms and conditions that may be displayed on the bank's website.

The Borrower confirms to have read and understood these Terms of Agreement while applying for personal loan ("Loan") with the Bank.

### 1. **Borrower Representations** – The Borrower represents and covenants that

- 1.1. He/She will use the Loan amount for legitimate purposes.
- 1.2. He/She will not use the Loan for any capital market use, purchase of gold/gold bullions/gold coins/gold jewellery/gold exchange traded funds/gold mutual funds or any speculative, antisocial or prohibited purposes. If the Loan funds have been used for purposes as stated above, Bank shall be entitled to take all steps that the Bank deems necessary to comply with its policies and the provisions of any relevant Act. The Borrower agrees to bear all costs and expenses the Bank incurs as a result thereof.
- 1.3. The information of the Borrower with the Bank is correct, complete and updated.

### 2. **Payment**

- 2.1. Equitas Small Finance Bank Personal Loan comes with a fixed rate of interest which means your EMIs will remain the same through the entire tenure of your loan. The loan shall carry interest at the rate specified in the loan agreement
- 2.2. The Borrower shall repay the Loan, and the interest payable thereon, in monthly installments as per the repayment schedule referred to as "The Equated Monthly Installments" or "EMI".
- 2.3. The EMI includes interest payable for the outstanding loan amount for the month in addition to the principal repayment. After every EMI payment, the outstanding loan amount gets reduced proportion to the principal component under the instalment paid. Therefore, the interest for the next month is calculated only on the outstanding loan amount.
- 2.4. The Borrower(s) shall pay to Bank, the charges, fees etc, specified in the Schedule hereto/ Application or as specified by the Bank from time to time, within such time or upon occurrence of such events as specified and if not specified then forthwith upon demanded by the Bank.
- 2.5. All other present and future costs and expenses, taxes (as applicable from time to time), any related levy, stamp duty, in all jurisdictions, in relation to the this/other documents/any transaction pursuant thereto, irrespective of who the beneficiary is, shall be borne and payable solely by the Borrower, including for creation, enforcement, preservation of security, recovery, initiating/defending/pursuing any legal proceedings/ actions by Bank. In case of any such sums if paid or incurred by the Bank, the Borrower shall be liable to reimburse the same to the Bank in full forthwith.

### 3. **Fees and charges:**

- 3.1. The Borrower authorises the Bank (i) to debit processing fees from the Loan amount before depositing it in the account and (ii) to debit fees and charges from Borrowers account.
- 3.2. The Borrower agrees to pay fees and charges specified in Schedule of Charges including processing fee, stamp duty, EMI dishonour charges etc. as specified at the time of applying for Loan.
- 3.3. Any overdue payment attracts interest at the additional rate collectively termed as Penal Charges and dishonour charges set out in Schedule of Charges
- 3.4. The Bank may change the interest rate, if the required by statutory/regulatory authority.
- 3.5. The Borrower agrees to pay applicable Goods and Service Tax.
- 3.6. Any changes in the default rates and other charges specified Schedule of Charges shall be binding on the Borrower

#### **4. Part payment and Prepayment**

- 4.1. The Borrower may prepay the entire outstanding balance of the Loan after the expiry of the first twelve (12) months of the Loan tenure. In such an event, the Bank shall be entitled to charge pre-payment charges as specified in the welcome letter on the outstanding dues. Pre-Payment amount will get adjusted towards interest, other charges and principal amount outstanding.
- 4.2. The Borrower may prepay a part of the outstanding balance of the loan subject to the following conditions and other credit parameters:
  - 4.2.1. The Borrower should have been a Equitas Small Finance bank Personal Loan customer for a period of at least 6 months from the date of loan booking, prior to availing the partial prepayment facility.
  - 4.2.2. The partial prepayments will reduce the loan tenor equivalent to number of EMIs prepaid (loan end/closure date) and the Borrower would need to continue to repay the subsequent EMIs as per the repayment schedule shared by the bank.
  - 4.2.3. Minimum part payment which can be paid by the borrower is upto 10% of principal outstanding or 6 Emis whichever is higher and is allowed once in 6 months in a financial year.

#### **5. Mode of Payment**

- 5.1. The Borrower will be issuing NACH Debit Instructions/SI's (referred to as 'Repayment Instructions' in the agreement) for the repayment of the Loan. Additionally, the Bank will also accept payment through NEFT and the Borrower can choose to avail such options when required to make payment towards the loan account.
- 5.2. In the event that Borrower wishes to change the repayment instruction on the said loan to another account via NACH Debit Instructions or Standing Instruction on a Bank account, he/she will provide Bank with an updated instruction in the prescribed format
- 5.3. The Borrower shall be deemed to have committed an act of default if the Borrower fails to pay the Loan or any fee, charges or costs in the manner herein contained, or any EMI or any other amount due hereunder remains unpaid for a **period of 30(Thirty) days** from the date on which becomes due; or the Borrower commits breach of any of the terms and conditions and/or covenants herein or any misrepresentation to the Bank.
- 5.4. In the event of the Borrower committing any act of default, the Bank shall be entitled at its absolute discretion to inter alia :
  - i) Call upon the Borrower to pay forthwith the outstanding balance of the Loan together with interest and all sums payable by the Borrower to the Bank under this Agreement and/or any other agreements, documents or instruments between the Borrower and the Bank.
  - ii) Exercise the Bank's right of lien and set-off all monies and accounts standing in the Borrower's name in the Bank.
  - iii) Without prejudice to the above, the Bank shall have the right to proceed against the Borrower independent of any right of lien/set-off/appropriation to recover the outstanding dues from the Borrower.

#### **6. Borrower's Representations, Warranties, Covenants and Undertaking**

- 6.1. The Borrower expressly recognizes and accepts that the Bank shall without prejudice to its rights to carry out such activities itself or through its officials or employees, be absolutely entitled and have full powers and authority to appoint one or more third parties of the Bank's choice and to transfer and delegate to such third parties the right and authority (i) to collect on behalf of the Bank installments, charges, unpaid amount(s) and other sums due to the Bank towards the Loan; (ii) to perform and execute all lawful acts, deeds, matters and things connected therewith and incidental thereto, including sending notices, attending the residence or office of the Borrower or otherwise contacting the Borrower (including the authorized signatory(ies)/representative(s), Guarantor(s) of the Borrower), (iii) receiving cash/cheques/drafts/mandates from the Borrower (including the authorized signatory(ies)/representative(s), Guarantor(s) of the Borrower) and giving valid and effectual receipts and discharge to the Borrower. For the purpose aforesaid, the Bank shall be entitled to disclose to any such third parties (including the authorized signatory(ies)/representative(s), Guarantor(s) of the Borrower) all necessary or relevant information pertaining to the Borrower and the Loan and the Borrower hereby consents to such disclosure by the Bank.

- 6.2. Call upon the Borrower to pay all claims, costs, losses and expenses that may be incurred by the Bank because of any act or default on the part of the Borrower with respect to the Loan and/or for the recovery of the outstanding dues (including legal/attorney fee) and/or on account of failure of the Borrower of any of the terms and conditions herein.
- 6.3. Please note that it is in the best interest of borrowers to maintain a good credit history by making timely payment of the dues under the loan. With a fair credit history, borrowers can expect faster and more competitive financial services at better terms from the lenders. Default, in turn, could impact the credit worthiness of the borrowers for future loan requirements.
- 6.4. The Bank shall be entitled to transfer or assign any of its rights, benefits or obligations herein, in any manner, in whole or in part and on such terms as the Bank may decide, to any party without the consent of the Borrower. Any such sale or assignment shall bind the Borrower, and the Borrower shall accept the third party as its sole creditor or creditor jointly with the Bank, as the case may be, and in such event the Borrower shall pay to the Bank or such creditor or as the Bank may direct, the outstanding amounts due from the Borrower towards the Loan.
- 6.5. The Borrower has no objection in and gives consent to the Bank for sharing Loan details including Borrower's personal details to Bank's branches, affiliates, services providers, agents, contractors, surveyors, agencies, credit bureaus, etc. in or outside India, to enable Bank to provide services under the banking arrangement with the Bank including customized solutions and marketing services. The Borrower confirms that the authorisation given above shall be valid till written communication of withdrawal of Borrower's consent is acknowledged by the Bank. The Borrower understands and accepts the risks involved in sharing personal information including sensitive personal information like account details with third party.
- 6.6. The Borrower consents to share Borrower's personal information with third parties for processing, statistical or risk analysis, conducting credit or anti-money laundering checks, designing financial services or related products, marketing financial services or related products, customer recognition on Bank's website/app, offering relevant product and service offers to customers, etc.
- 6.7. The Borrower agrees that provision of banking services could be suspended/discontinued, if Borrower withdraws consent regarding Borrower's personal information. The Borrower understands that the list of third parties who may get access to Borrower's sensitive personal information is available on Bank's website and Borrower shall himself/herself updated on the same.
- 6.8. The Borrower agrees that the Bank may disclose Borrower's information to Reserve Bank of India, other statutory/regulatory authorities, income tax authorities, arbitrator, credit bureaus, local authority, credit rating agency, information utility, marketing agencies, service providers if required.
- 6.9. The Borrower agrees that the Bank shall send any notice/letter/other document meant for the Borrower at the address last intimated by the Borrower and shall be deemed to have been delivered within 48 hours after it has been sent by registered post, under certificate of posting, ordinary post or courier at the discretion of the Bank. All writings from the Borrower to the Bank must be received from the Borrower at the address specified in the Schedule.
- 6.10. The Borrower declares that all information given in the application for the Loan and the supporting documents is absolutely correct and no misrepresentation, either directly or otherwise, has been made. The Bank shall be entitled to take such action as it deems fit in the event the Borrower provides any inaccurate, false information to the Bank and/or misrepresents in any manner whatsoever any inaccuracy or falsehood or misrepresentation on the part of the Borrower.
- 6.11. The Borrower agrees that this Application form shall be governed by the laws of India and in all matters arising out of this form the Borrower hereto will submit to the exclusive jurisdiction of the Courts at the respective place of the Bank's branch office location without prejudice to the right of the bank to initiate appropriate proceeding as provided under the loan agreement.
- 6.12. The borrower also confirms that he is not a director or senior officer of the bank or any other bank . He also confirms that is not relative to the director or senior officer of the bank or any other bank If this is not the case at any time, the Borrower undertakes to inform the Bank about the same. On such intimation by the Borrower, the Bank may re-evaluate the disbursement of the Loan and could recall the Loan

and seek immediate repayment.

## **7. Free look Period**

- 7.1. If the Borrower disagrees with any of the terms of loan, there is an option to cancel the loan within Five (5) days of disbursement of loan subject to repayment of entire amount towards the loan account. The customer will get a period of 3 days to repay the loan from the day/date of cancellation. In an event borrower does not opt to cancel the loan or repay the loan within the time stipulated hereinabove, then borrower shall become liable to repay the loan together with interest, cost, charges etc., as per the repayment schedule under the loan agreement.
- 7.2. Repayment of the amount can be made either through RTGS or NEFT in favour of Equitas Small Finance Bank. Account number- Existing loan account number;IFSC code-ESFB0001001;Branch-T.Nagar, Chennai
- 7.3. Upon receipt and realisation of the amount on repayment, loan account shall stand cancelled and all rights under the loan shall stand extinguished.

## **8. Insurance**

- 8.1. Borrower is aware that the amount under the loan provided by the bank, is required to be mandatorily covered under credit shield insurance policy and undertakes to cover the same with the insurance company that may be identified by the bank and the premium shall be deducted by the Bank from the amount to be disbursed by the bank under the loan. The Bank may at its own discretion and upon Borrower's request, also extend finance to the Borrower for the credit shield insurance premium required to be taken by the Borrower from the insurance company identified by the bank.
- 8.2. All expenses, charges, fees, taxes etc.as applicable on any such insurance shall be incurred and paid by the Borrower, however in case paid by the Bank on Borrower's behalf, the Borrower shall reimburse the same to the Bank within 24 hours of the Bank's demand. The Borrower shall instruct the insurance company to add the Bank as loss payee in any such insurance policy.
- 8.3. Complimentary insurance from Star Health will be provided to women customers who avail personal loan with us. This covers critical illness for 1 year from disbursal of loan and will cease upon payment of lump-sum on occurrence of any critical illness or expiry of one year loan period whichever is earlier.

## **9. Miscellaneous**

- 9.1. Bank may send Loan related notices, statements or any other communication to the Borrower by in-app messages, short message system (SMS), Whatsapp messaging service provided through its vendor/s, electronic mail, ordinary prepaid post or personal delivery to Borrower's communication address registered with the bank. Communication and notices sent by in-app messages/facsimile/SMS/email will be considered to have been sent and received by the Borrower on the same day irrespective of the delays on the part of the carrier. Communication and notices sent by pre-paid mail will be considered to have been delivered on the day immediately after the date of posting.
- 9.2. Borrower undertakes to open a savings account with the Bank. The borrower shall provide sufficient funds under his/her account with the bank to honour his/her instalments and authorizes the bank to debit the instalment from the account.
- 9.3. The Borrower agrees and undertakes to indemnify and keep the Bank indemnified against all actions at law, losses, compensation, costs, claims and expense that the Bank may incur on account of any act/default of the Borrower in respect of the Loan and/or recovery proceedings or breach of these Terms of Agreement.

