

TERMS AND CONDITIONS GOVERNING THE GROUP LOAN AGREEMENT (MICRO BANKING)

1. DEFINITIONS:

- 1.1. **"Agreement"** or **"Loan Agreement"** means and includes the agreement executed/ to be executed between the Borrower and USFB in relation to the Loan.
- 1.2. **"Applicable Law"** includes any law, directive, rule, regulation, guideline, circular, notification, clarification, guidelines, instruction, requirement, constitution, decree, judgment, legislation, order, ordinance, regulation, statute, treaty or other legislative measure having the force of law in any jurisdiction from time to time, and "lawful" and "unlawful" shall be construed accordingly.
- 1.3. **"Application Form"** shall mean as the context may permit or require, the loan application form submitted to USFB for applying and availing of the Loan (as defined in the Agreement).
- 1.4. **"Bank"** or **"Lender"** or **"USFB"** or **"Ujjivan SFB"** shall mean Ujjivan Small Finance Bank Limited, a company incorporated under the provisions of the Companies Act, 2013 (CIN: L65110KA2016PLC142162) and a Banking Company within the meaning of Banking Regulation Act, 1949, with its Registered Office and Head Office at Grape Garden, No: 27, 3rd "A" Cross, 18th Main, 6th Block, Koramangala, Bengaluru, Karnataka - 560095.
- 1.5. **"Borrower"** means and includes such person to whom USFB has agreed to grant the Loan and who has received the Loan.
- 1.6. **"Business Day"** means a day (other than Public Holiday) on which USFB and banks are open for business in the location from where the Loan is sanctioned.
- 1.7. **"Competent Authority"** shall mean the Government of India ("GoI"), RBI or the government of any other state of India or any ministry, department, local authority, statutory or regulatory authority, instrumentality, agency, corporation (to the extent acting in a legislative, judicial or administrative capacity or commission under the direct or indirect control of the GoI or RBI or the government of any other state of India or any political subdivision of any of them or owned or controlled by the GoI or the RBI or the government of any other state of India or any of their subdivisions, or any court, tribunal or judicial body within India or any legislative, judicial or executive authority, department, ministry of public or statutory Person whether autonomous or not, of the GoI or the RBI.
- 1.8. **"Due Date"** means the date(s) on which any amounts in respect of the Loan including the Interest and/or any other monies, fall due.
- 1.9. **"External Benchmark Lending Rate"** or **"EBLR"** in relation to rate of Interest means the market determined reference rate used by USFB in conformity with the guidelines of RBI to determine the interest rates on loans, which is subject to review by USFB periodically. The prevailing EBLR is as mentioned on the Website.
- 1.10. **"Facility Documents"** includes Application Form, sanction letter (if any), these Terms & Conditions, the Agreement, the schedules forming part of the Agreement and all other declarations, consents agreements, instruments, undertakings, indentures, deeds, writings and other documents executed or entered into, or to be executed or entered into (including those provided to USFB along with or prior to or subsequent to submission of the Application Form), by the Borrower and/or any other person, in relation, or pertaining, to the Loan and the transactions contemplated under the Facility Documents, and includes all modifications and amendments thereto.
- 1.11. **"Fixed Rate of Interest"** means the fixed rate of interest applicable on the Loan, which is subject to review by USFB.
- 1.12. **"Floating Rate of Interest"** shall mean the sum of the MCLR or EBLR plus Spread applied by USFB on the Loan, as per the Agreement, which is subject to review by USFB from time to time.
- 1.13. **"Group"** shall mean (where the context so admits) all the persons, if any, named as a group in the Application Form and who introduce themselves as a group to USFB by way of such Application Form.
- 1.14. **"Interest"** means the rate of interest mentioned in the loan card, chargeable by USFB from the Borrower on the Loan. The components of Interest rate include cost of funds, risk premium and margin. Interest rate is subjected to supervisory scrutiny by RBI. The effective annualized interest rate (computed on net disbursed amount using internal rate of return approach and reducing balance method) shall be as mentioned in the loan card.
- 1.15. **"Loan"** means the loan in the amount as sanctioned by USFB to the Borrower pursuant to the Application Form, more fully specified in the loan card, and shall include any additional Top-Up-Loan availed by the Borrower and any rescheduled loans of the Borrower, and includes all interest related to the Loan.
- 1.16. **"Loan Amount"** shall mean an amount of Loan as may be availed by the Borrower as per the terms and conditions of the Facility Documents.

- 1.17. **"MCLR"** means the marginal cost of fund-based lending rate of USFB as may be determined and published by USFB from time to time. The prevailing MCLR is as mentioned on the Website.
- 1.18. **"Material Adverse Effect"** means the effect or consequence of any event or circumstance which is or is likely to be: (a) adverse to the ability of the Borrower or any person to perform or comply with any of their respective obligations in relation to the Loan; or (b) prejudicial to the financial condition of the Borrower, in the opinion of USFB.
- 1.19. **"Net-Off Account"** in reference to the loan card shall mean any existing loan account of the Borrower, which needs to be closed by the Borrower simultaneous with availing the Loan.
- 1.20. **"Net-Off Amount"** in reference to the loan card shall mean the amount netted off from the Loan for closure of the Net-Off Account.
- 1.21. **"Outstandings"** shall include, at any time, all amounts payable by the Borrower to USFB pursuant to the Facility Documents including but not limited to the present and future obligations and liabilities of the Borrower to pay/ repay without limitation the principal amount of the Loan, Interest (as defined in the Agreement) and additional interest thereon and all stamp duties, Taxes, expenses, fees, liquidated damages, indemnities, costs, charges and expenses including without limitation any statutory or legislative charges, penalties, if any, in connection with the Loan, and such other expenses incurred in relation to any exercise by USFB of its right, together with legal fees and court costs. [It is clarified that, unless expressly communicated by USFB to the Borrower, there shall be no pre-payment penalty on the Loan. Delayed payment charges (if any) shall be applied only on the overdue amount and not on the entire Loan amount.]
- 1.22. **"Periodic Installments"** or **"PI"** means and includes such amount of the principal and interest that the Borrower is required to pay, in relation to the Loan, to USFB as per the repayment schedule set out in the loan card and/or in conformity with such changes to the repayment schedule as may be communicated to the Borrower by USFB, from time to time.
- 1.23. **"Pre-Closure"** means repayment of the entire dues under the Loan before the completion of tenure stipulated in the loan card, subject to the terms and conditions laid down by USFB.
- 1.42. **"Processing Fee"** shall mean and include at the discretion of USFB, all such initial payments which shall not be limited to documentation reimbursement, meeting expenses, applicable processing fees, and any other applicable Taxes or charges as may be levied by USFB for disbursement of the Loan to the Borrower.
- 1.43. **"Public Holiday"** means Second Saturday, Fourth Saturday, Sunday or a public holiday for the purpose of Section 25 of the Negotiable Instruments Act, 1881 (26 of 1881), and days on which banks are not open for business either in the respective Clearing House or in the place of business of USFB as set out in the Schedule to the Loan Agreement.
- 1.44. **"Purpose"** means purpose for which the Loan is availed by the Borrower, which is more fully mentioned in the loan card.
- 1.45. **"RBI"** means Reserve Bank of India.
- 1.46. **"RBI Guidelines"** shall mean any guideline, circular, notification, regulation, requirement or other restriction or any decision or determination relating to taxation, monetary union, capital adequacy norms and other prudential norms on income recognition, asset classification and provisioning pertaining to advances by banks and financial institutions, liquidity, reserve requirements, or reserve asset, special deposit cash ratio, or capital asset requirements or any other form of banking or monetary control issued or made by, or any interpretation, policy or administration of any of the foregoing, by any Competent Authority having jurisdiction over the matter in question, including any of these that has been or may be issued by the RBI in any manner connected with small finance banks in the private sector, whether in effect as of the date of the Agreement or hereafter.
- 1.47. **"Repayment"** means repayment of all dues in respect of the Loan, which shall include the principal amount of the Loan, Interest, all taxes, levies, charges, legal fees, expenses and costs etc., provided in the Agreement.
- 1.48. **"Repayment Schedule"** means the repayment schedule mentioned in the loan card given to the Borrower at the time of disbursement.
- 1.49. **"Tax"** includes any and all direct and indirect, present and future taxes, including without limitation any tax, levy, impost, duty, demand, cess, fees, revenues, surcharge, claims, public demands or other charges or withholding of a similar nature (including any related penalty or interest payable in connection with any failure to pay or any delay in paying any of the same).
- 1.50. **"Top-Up-Loan"** shall mean any additional amount of loan, applied for by the Borrower and granted by USFB during the subsistence of the Loan.
- 1.51. **"Website"** or **"Official Website of USFB"** means the website of USFB, presently being www.ujjivansfb.in.

2. **Interpretation:** In the Agreement and these Terms & Conditions (i) reference to the masculine gender includes the reference to the feminine gender and vice versa; (ii) the meaning of the terms used in the Agreement and these Terms & Conditions, shall be equally applicable for both singular and plural forms of the terms; (iii) unless otherwise specified, reference to a Clause shall mean reference to that particular clause of the Agreement and/or these Terms & Conditions; (iv) reference to any agreement, document, instrument, statute, enactment, ordinance, order, regulation etc. shall be construed to include a reference to the amendments, extensions, re-enactments, supplementals, restatements, novations and/or consolidations thereto from time to time; (v) save and except as specifically provided in the Facility Documents any determination with respect to the 'materiality'

or 'reasonability' of any matter including of any event, quantity, degree, occurrence, circumstance, change, fact, information, document, authorisation, proceeding, act, omission, claims, breach, default or otherwise shall be made by USFB in its sole and absolute discretion; (vi) all the Schedules, Annexures and Exhibits to the Facility Documents shall form an integral part of the relevant Facility Documents; and (vii) when there is more than one Borrower, the term Borrower shall include all such Borrowers and the grammar in these Terms & Conditions shall be deemed to have been appropriately modified.

3. **Loan and Disbursement of Loan:** USFB may at its sole and absolute discretion lend to the Borrower, and the Borrower agrees to borrow from USFB, the Loan for the purpose and on the terms and conditions set out in the Facility Documents to the extent of the Loan Amount as more particularly set out in the Facility Documents or as may be agreed between USFB and the Borrower from time to time. USFB undertakes no obligation to meet any further credit requirements of the Borrower, on account of growth in its business or otherwise, without proper credit evaluation. If the Borrower has availed any group loan and the same is outstanding in the books of USFB, the Loan shall be disbursed only after the Borrower closing such existing loan. If such existing loan is not closed by the Borrower, USFB shall have the right to net-off the dues under such existing loan, from and out of the proceeds of the Loan Amount. It is clarified that the netting off will be done without collecting any pre-payment penalty and no prejudice would be caused to the Borrower due to such netting-off, and accordingly the Borrower shall continue to be liable to repay to USFB the entire Loan Amount along with Interest and other monies. USFB may, based on specific application submitted by the Borrower, grant at its sole discretion Top Up Loans to the Borrower at such rates of interest as determined by USFB based on factors including but not limiting to Borrower's repayment records, financial position, cohesiveness of the Group (if any, recognized for considering grant of the Loan) provided for in the Loan Application, the viability of the business of the Borrower, etc. Such Top Up Loans, shall be in continuation of the Loan and the Borrower shall have to execute requisite further agreement in favour of USFB in relation to such Top Up Loans. Further, the repayment schedule for all such Top up Loans shall be as may be revised by USFB from time to time and may, at the sole discretion of USFB, either substitute or be an addition to the existing repayment schedule as on the date of sanction of Top Up Loan. However, it is clarified that USFB shall not be under obligation to provide such Top Up Loans to all its Borrowers, whether the same has been applied for or not. If the Loan is offered in the form of preapproved loans (with reference to any Policy of USFB, framed in conformity with any special scheme of the Central/State Government or any other guidelines) the Borrower shall have an option to reject such pre-approved loan. The Loan or Top Up Loan/Additional Loan may be disbursed by USFB to the Borrower by way of account credit or through such other permissible mode and such disbursement shall be deemed as disbursed on the date the proceeds of the Loan or Top Up Loan/Additional Loan (as the case be) are actually credited to any account of the Borrower or USFB actually disburses the same (in case of disbursement made in other permissible mode/cash), whichever is earlier, irrespective of whether the disbursement date and/or date of receipt of credit in the account falls a Public Holiday. Unless expressly communicated by USFB to the Borrower, the Loan and Top Up Loan/Additional Loan shall be collateral free [irrespective of end use and mode of application/processing/dispersal (physical or digital)] and shall not be linked with any lien on any deposit account of the Borrower.
4. **Repayment:** The Borrower shall repay to USFB, the Loan, together with accrued Interests applicable thereon from the date of disbursement, as and by way of PI and all other Outstandings on or before the respective Due Dates in accordance with the Repayment Schedule as set out in the Facility Documents. In the event any payment/re-payment would otherwise be due on a day which is not a Business Day, it shall be due on the immediate next Business Day. The Repayment Schedule shall, inter alia, contain the PI and the repayment tenure as computed by USFB from time to time. The PI shall comprise of principal and Interest calculated on the basis of periodic rates at the rate applicable. USFB reserves the right to round off PI received in fractions. This shall, at the discretion of USFB, result in rounding off fraction of PI amounting upto Paise 49 to the nearest lesser whole rupee denomination and fraction of PI amounting more than Paise 50 (upto rupee 1) to the nearest higher whole rupee denomination. The Interest component for each PI may vary depending on the Outstandings. In respect of the revisions to be carried out in the Repayment Schedule on account of revision of rate of Interest, either the repayment tenure or the amount of the PI shall be subjected to such changes as may be required to give effect to the variation. The PI shall be paid on or before the respective Due Dates. The Borrower shall, jointly and severally, ensure that the payment of the PI shall not be stopped for any reason whatsoever. If USFB permits repayment under the Loan through Automated Clearing House ("ACH") instructions as notified by RBI or through Standing Instructions linked to the Borrower's account with USFB ("SI"), the Borrower should execute requisite mandate for registering ACH/SI. USFB may execute the ACH/SI on the Business Day falling on the previous or the subsequent day of the Due Date and the Borrower should at all times ensure that the funding account is having requisite credit balance to honour such ACH/SI. Payment of amount in excess of the stipulated PI will be treated as pre-payment, and the Borrower shall have to pay applicable pre-payment penalty (not applicable for GL classified as Microfinance loan), if so stipulated by USFB, if he/she pays amount in excess of the stipulated PI. Further, unless the Borrower instructs USFB in writing simultaneous with making payment of any amount in excess of the stipulated PI, such excess amount (and any portion thereof) shall be accounted in the concerned account in the manner that USFB deems fit, without prejudice to the liability of the Borrower to amortize the Loan in accordance with the Repayment Schedule. USFB reserves the right to credit proceeds of any amount received in excess of the stipulated PI (or any portion thereof) on the succeeding Due Date(s). It is clarified that, USFB also reserves absolute rights to insist the Borrower to amortize the Loan only in accordance with the Repayment Schedule or to accelerate repayments. Notwithstanding anything contained herein or in any other documents or instructions given by the Borrower,

the repayment made by the Borrower or amount realised/received/recovered by USFB towards repayment of the Loan shall be appropriated at the absolute discretion of USFB as under: (a) firstly, towards the reimbursement of the costs/expenses incurred by USFB; (b) secondly, towards Interest in arrears, whether debited or not; and (c) lastly, towards the principal amount of the Loan. Notwithstanding the above, any amount paid to USFB/received by USFB may be appropriated by it towards the amounts due from the Borrower (including Outstanding Amount), in the manner that USFB deems fit, at its absolute discretion.

5. **Interest:** The Borrower should pay interest on the Loan, from the date of disbursement of the Loan, at the rate specified in the Schedule forming part of the Agreement. The rate of Interest will be benchmarked to EBLR for Loan variant under Emergency Credit Line Guarantee Scheme ("ECLGS"), and MCLR for other Loan variants of Group Loan segment. The actual Interest rate shall be a component of either MCLR or EBLR plus applicable spread (the spread is arrived at by USFB, as per its laid down guidelines/policies, based on the risk weightage of the Borrower, and the spread may not be uniform for all borrowers). The actual lending rate is determined by adding the components of Spread to MCLR or EBLR (of appropriate tenure). If the Loan is availed on Fixed Rate of Interest, the rate of Interest will be fixed. If the Loan is availed on Floating Rate of Interest, the rate of interest shall be linked to MCLR or EBLR or such other rate duly notified by USFB in its branches, outlets, offices or Website, and the term MCLR or EBLR is a tenure linked benchmark, arrived based on the corresponding tenure of a particular advance/facility. The Interest on the Loan shall be charged at the rate of Interest set out in the Facility Documents and the frequency of the Interest payment shall be as more particularly set out in the Facility Documents. The Borrower should note that during the tenure of the Loan, USFB shall have, at its discretion, the right to change/reset/revise the Interest rate, at any time and from time to time as per its policy and/or the guidelines issued by RBI or applicable laws or regulations, if any. USFB shall intimate the Borrower about such changes, through electronic media or print media or through display made in USFB's outlets/branches/offices/Website. Also, USFB shall ensure that such changes are effected only prospectively. Any such change in the Interest rate and periodicity thereof shall be binding upon the Borrower. The Interest calculated on the basis of the rate of interest mentioned in the Facility Documents shall be rounded off to the next rupee calculated on monthly rests. For Loan variant under ECLGS, the Interest shall be calculated on actual number of days taken as 360 (Three Hundred and Sixty) a year. For other Loan variants of Group Loan segment, the Interest shall be calculated on actual number of days taken as 365 (Three Hundred and Sixty Five) a year in non-leap year, and 366 (Three Hundred and Sixty Six) days in leap year, and in case the tenure of the Loan is spread over a non-leap and a leap year, the Interest is calculated by reckoning 365 (Three Hundred and Sixty Five) days in non-leap year and 366 (Three Hundred and Sixty Six) days in a leap year. The rate of Interest is reasonable and represents genuine pre-estimate of the loss expected to be incurred by USFB in the event of non-payment of any monies by the Borrower and the Borrower shall be deemed to have acknowledged the genuineness and reasonability of the same. In the event the Loan is granted subjected to any moratorium, the Borrower shall have to service interest, apart from complying with such other conditions stipulated by USFB.
6. **Change in Rate of Interest or Shifting of Benchmark Rate:** In case there is any change in the law and/or regulatory requirements by the regulator applicable to the Loan pertaining to provisioning norms and/or risk weightage or based on the changes in the pricing policy of USFB, then USFB may revise the rate of Interest in accordance with and/or to ensure compliance with such law/regulatory requirement. Notwithstanding anything to the contrary contained herein, the Interest payable by the Borrower to USFB shall be subject to the changes in rate of Interest made by the RBI from time to time.
7. **Charges/Fees:** All Processing Fees and charges shall be paid by the Borrower at the time of disbursement of the Loan by USFB. All Processing Fees not paid by the Borrower shall be recovered by USFB while disbursing the Loan. Any such Charges/Fees/Tax should be paid to USFB by the Borrower forthwith upon debit. Even if the Borrower chooses not to avail the Loan, the Borrower shall remain liable to pay to USFB the Processing Fees. Further, such Processing Fees will not be refundable under any circumstances. The Borrower shall also pay to USFB applicable documentation charges and all such charges mentioned in the Agreement. The Borrower shall have to pay to USFB closure charges not exceeding the amount fixed by USFB from time to time at the time of closure of the Loan, and this closure charge shall be applicable only for Loans in excess of the limit fixed by USFB from time to time. All charges/fees will be subject to applicable Tax. The Borrower shall not be charged any Charges/Fees which is not mentioned in the loan card.
8. **Life Insurance of Borrower:** Borrowers of USFB who wish to obtain life insurance cover for insuring the lives of the borrowers shall be free, on voluntary basis, to opt for insurance coverage. USFB will not, under any circumstance, insist its borrowers to avail the insurance coverage. USFB may administer life insurance through selected insurance companies, the list of which may change from time to time. Such insurance, subject to the guidelines of the concerned insurance company, would cover the lives of borrowers. Borrowers who wish to opt for such insurance coverage should peruse the relevant booklet containing the details of insurance companies with whom USFB has tie up, the structure of sum assured, rate of insurance premium etc. and clearly understand the benefits and de-merits of the insurance coverage prior to opting for insurance coverage. USFB shall be mere corporate agent in regard to such insurance arrangement and all issues pertaining to such insurance coverage, including the insurance premium, eligibility norms, insurance claims etc., shall be governed by the terms and conditions of the Master Policy of concerned insurer. Insurance coverage will not be available in case of drop-out or Pre-Closure of the Loan. All matters related to the Policy are subject to the terms and conditions of the Insurer. Any borrower opting for such life insurance being administered by USFB may pay the applicable premium amount either by depositing with USFB or by authorizing USFB to deduct from and out of the proceeds of the Loan, for onward payment to the concerned Insurer(s). If the Borrower authorizes USFB to deduct the premium from and out of the proceeds of the Loan,

the receipt thereof shall be issued by USFB by way of making suitable entry in the loan card. However, nothing contained herein shall cast any obligation on USFB to insure the life of the Borrower or to renew the policy/ies. The Borrower shall be solely responsible to obtain credit shield, insuring his/her life and to get such policy/ies renewed from time to time. USFB reserves the right (but not bound) to pay the premium on behalf of the Borrower in case of the Borrower's failure and get such amounts reimbursed by the Borrower. USFB shall have the right to receive and adjust any payment that USFB may receive in connection with any insurance policy/ies against the Loan and alter the Repayment Schedule as set out in the Facility Documents in any manner as it may deem fit notwithstanding anything to the contrary contained in the Facility Documents or any other document or paper.

9. **Pre-Closure:** USFB may, at its pure discretion, allow the Borrower to pre-close the Loan subject to the terms and conditions stipulated by USFB from time to time.
10. **Restriction of Liability:** USFB is not bound to disburse the Loan even if sanctioned, unless the Borrower conforms to the Conditions Precedent (discussed hereunder) and the terms and conditions governing the Loan. If the Borrower fails to comply with any of the terms and conditions governing the Loan, or if USFB is of the opinion that the Borrower is not compliant of any terms and conditions governing the Loan, USFB may cancel the Loan at its discretion, even if the Loan is disbursed in full or in part. The Borrower shall continue to remain at all times liable and responsible for ensuring the payment/repayment of all PI of Outstandings on or before the relevant Due Date(s) without any further notice/intimation being given by USFB, at such place/s as USFB may specify, without any deductions whatsoever so as to enable USFB to fully realize the amounts due on or before the respective Due Date(s). Credit for payments by any method will be given only after realization, on the Due Date(s) occurring after such realization. The acceptance by USFB of any payment which is less than the full PI shall not constitute a waiver of USFB's right to receive payment in full at such time or at any subsequent time or a waiver of any other rights whatsoever of USFB. USFB shall have the right to place the Loan, along with any accrued Interest, under moratorium or any other agreement as it may deem fit on a case-to-case basis. USFB may grant need-based restructuring/rescheduling of Loan (by enlarging the tenure or by postponing the mature date of the Loan, and by keeping the PI unaltered) in case USFB is of the view that the Borrower has been affected by natural calamity or national disaster. USFB will consider such restructuring/rescheduling of Loan only at its pure discretion. If the Loan is restructured/rescheduled in any manner whatsoever, the Borrower shall conduct the Loan account as per the terms and conditions governing such restructure/reschedule. Such restructuring/rescheduling of Loan by USFB shall not constitute any waiver of rights vested on USFB or obligations of the Borrower under the existing Loan. Further, despite such restructuring/rescheduling USFB shall have the right to recover the Outstandings on the existing Loan as per the covenants in the Agreement.
11. **Subsidy/Incentive:** If the Loan or the Borrower is eligible for any subsidy or incentive at the instance of any State Government or Central Government or Authority, such subsidy/incentive, if granted, shall not be gratuitous and such subsidy/incentive shall be available to the Borrower only if he/she is compliant of the underlying Rules/Regulations/Provisions governing such subsidy/incentive, apart from meeting the conditions and obligations envisaged thereunder. The Borrower should get acquainted with the Rules/Regulations/Provisions governing such subsidy/incentive, and it shall be deemed that the Borrower has knowledge of the Rules/Regulations/Provisions governing such subsidy/incentive. Further, USFB shall reckon such subsidy/incentive only in accordance with the underlying Rules/Regulations/Provisions governing such subsidy/incentive, and USFB shall not undertake any obligation or liability with regard to such subsidy/incentive other than those covered under the underlying Rules/Regulations/Provisions governing such subsidy/incentive. The Borrower shall not be eligible for subsidy/incentive and the benefits thereunder, unless conduct of the account in relation to the Loan is satisfactory in the opinion of USFB and/or the Government/Authority which grants the subsidy. The Borrower should refund the subsidy/incentive, if any, received by him/her forthwith upon demand by USFB, either to USFB or to any Authority stipulated by USFB. Any such amount not refunded shall automatically form part of the Loan/Outstandings. If the Loan is granted under any special scheme of the Central or State Government, the Loan shall be governed by the guidelines of the Policy of USFB, drawn in conformity with such scheme, (including but not limited to the identification of beneficiaries, moratorium and servicing of interest). The Borrower should get acquainted with the schemes and the Policy of USFB prior to availing the Loan, if the Loan is sought under any such special scheme, and it shall be deemed that the Borrower has knowledge of the Rules/Regulations/Provisions governing such special scheme. All matters concerning the Loan granted with reference to such special schemes shall be governed by the Rules/Regulations/Provisions governing such special scheme.
12. **Representation and Warranties:** (a) Each of the Borrower shall be deemed to have declared, represented and warranted on a continuing basis that: (i) he/she is entitled and empowered to borrow the Loan and execute the Facility Documents; (ii) no civil or criminal proceedings (including but not limited to insolvency proceedings) is/are concluded or initiated or pending or threatened against him/her or his/her assets; (iii) he/she is not a defaulter/wilful defaulter or facing any proceedings for declaring as defaulter/wilful defaulter and, if any lender initiates or threatens any action for declaring him/her as wilful defaulter, USFB shall have the right to take appropriate proceedings against him/her, (iv) the purpose for which the Loan is taken is not illegal, speculative or nefarious; (v) the Loan shall be utilized only for the purpose for which it is sanctioned, and shall not be used for any illegal, anti-social, speculative purposes including but not limited to participation in stock markets/IPOs etc.; (vi) he/she has paid and will pay when due, all public demands such as income tax, property taxes and all the other taxes and revenues payable to the Government of India or to the government of any

state or to any local authority and that at present there are no arrears of such taxes and revenues due and outstanding, (vii) except to the extent disclosed to USFB in writing he/she is not a Director or relative of a Director or Senior Official of USFB or any other bank and no Director or Employee of USFB or any other bank or their relative have any substantial interest in the activities carried out by him/her, (viii) the Borrower shall submit to USFB a certification, in such form, mode and manner stipulated by USFB, regarding end use of the Loan, and USFB shall have the right to take appropriate measures (including criminal action) against the Borrower if such certification is found to be wrong, (ix) the Borrower shall permit and cause to be permitted USFB to inspect the premises of the Borrower to ascertain end use of the Loan. Each of the Representations and Warranties shall be deemed to be repeated by the Borrower on continuing basis, including while availing the Top Up Loan, till closure of the Loan and the Top Up Loan.

13. Conditions Precedent: USFB shall make any disbursement under the Loan subject to the fulfilment of the following conditions:

- a) The Borrower meeting USFB's requirement of creditworthiness. USFB shall be entitled to make or cause to be made market inquiries or Credit Bureau checks of such nature as USFB may deem fit in this regard and, further, it shall be entitled to call for such credentials from the Borrower as may be required.
- b) The Borrower is in compliance of all the terms and conditions under the Facility Documents, and nonexistence of any default or breach under the Agreement or existence of any circumstance which may make it improbable for the Borrower to fulfil his/her obligations under the Facility Documents.
- c) In relation to the Borrower, absence of any pending, ongoing or threatened proceedings which, if adversely determined, may have an adverse effect on: (i) the ability of the Borrower to comply with the Facility Documents, or (ii) the interests of USFB.
- d) Execution, filing, registration and delivery, by the Borrower, of all Facility Documents in the form, manner and substance acceptable to USFB.
- e) If required by USFB, or under the provision of any law, the Borrower to satisfy USFB of such evidence as may be acceptable to USFB: (i) about the utilization of the proceeds of the prior disbursements (if any) under the Loan, and (ii) that the disbursement is required for and shall be utilized only for the purpose for which the Loan is sanctioned.

14. Event of Default: The occurrence of any of the following events shall constitute an event of default ("Event of Default"):

- a) Non-payment of amounts payable under the Facility Documents (including but not limited to PI) on the relevant Due Date thereof. It is clarified that only the Due Date shall be reckoned for the purpose of guidelines of RBI on Income Recognition, Asset Classification and Provisioning pertaining to Advances, irrespective of whether or not USFB has granted at its discretion, grace period (if any) for repayment of PI.
- b) Where any Standing Instruction or any payment instruction is not renewed before the relevant Due Date or if any payment made by the Borrower to USFB fall short of the payment required to be made by the Borrower with respect to the amount due from the Borrower to USFB.
- c) Breach of any terms and conditions of the Facility Documents.
- d) Any information given by the Borrower to USFB while availing the Loan or as confirmed in the Facility Documents is/are found to be misleading or incorrect.
- e) The Group (if any, recognized for considering grant of the Loan) undergoes any change, due to drop out of any member or addition of any member, or the declared activity of the Group (if any, recognized for considering grant of the Loan) undergoes any change.
- f) Failure of the Borrower to inform USFB of the occurrence of any Event of Default or any event which after the notice or lapse of time, or both, would become an Event of Default.
- g) Any default by any of the Borrower under any credit facility agreement or arrangement entered into by the Borrower with USFB, any bank and/or financial institution/non-banking financial company and/or other creditors, either under the Facility Documents or vice-versa ("Cross Default").
- h) Initiation or threatening of any proceedings for declaring the Borrower as insolvent or wilful defaulter or passing of any order passed against the Borrower thereunder.
- i) One or more events, conditions or circumstances exist or shall have occurred which will have a Material Adverse Effect on the Loan.

The decision of USFB as to whether or not an Event of Default has occurred will be final and binding upon the Borrower. The Borrower shall promptly notify USFB in writing upon becoming aware of any default and any event which constitutes (or, with the giving of notice, lapse of time, determination of materiality or satisfaction of other conditions, would be likely to constitute) an Event of Default and the steps, if any, being taken to remedy it.

The basis for classification of the Loan as Special Mention Account ("SMA") categories shall be as follows (subject to the guidelines issued by RBI from time to time):

SMA Sub-categories	Basis for classification – Principal or interest payment or any other amount wholly or partly overdue
SMA-0	Upto 30 (Thirty) days
SMA-1	More than 30 (Thirty) days and upto 60 (Sixty) days
SMA-2	More than 60 (Sixty) days and upto 90 (Ninety) days

The basis for classification of the Loan as Non-Performing Asset ("NPA") shall be as follows (subject to the guidelines issued by RBI from time to time): Interest and/or instalment of principal remains overdue for a period of more than 90 (Ninety) days. [Flagging of the account related to the Loan as overdue shall be done by USFB as part of its day-end process for the Due Date, irrespective of the time of running such processes by USFB. Classification of the account related to the Loan as SMA as well as NPA shall be done as part of day-end process for the relevant date. SMA or NPA classification date shall be the calendar date for which the day end process is run.]

15. USFB on its part is not obligated to provide any statements of the Loan account to the Borrower during the course of the Agreement or the Loan (or after closure of the Loan) unless specifically requested by the Borrower. The Borrower shall have to pay such charges for this service as may be decided by USFB from time to time.
16. Without being obligated to do so, USFB shall be entitled to monitor the use/end use of the Loan including through any auditor(s) or consultant(s) with necessary certification from them, as appointed by USFB at its sole discretion and at the cost of the Borrower.

17. Remedies of USFB:

- a) The remedies discussed herein shall be without prejudice to the rights and remedies available to USFB under equity and under Applicable Law.
- b) If one or more of the events specified in this clause shall have occurred, USFB may, by issuing 7 (Seven) days' notice in writing to the Borrower declare that the principal amount of the Loan and all accrued Interest has become payable forthwith by the Borrower to USFB and USFB may at its sole discretion terminate the Agreement:
 - i) Failure of Borrower to pay the loan or processing fee, insurance charge and insurance premium or if any PI or any other amount due remain unpaid for a period of 30 (Thirty) days from the Due Date;
 - ii) Breach of the term and conditions and covenants under the Agreement or this Terms and Conditions by the Borrower;
 - iii) Any information/document submitted by the Borrower to USFB is found false or incorrect;
 - iv) Adverse material change of the Borrower, as a result of which USFB deems itself to be, insecure or the Borrower has been declared and insolvent or there exists any other circumstance which, in sole opinion of USFB, jeopardizes USFB's interest;
 - v) Usage of proceeds of the Loan by the Borrower for any purpose which may be deemed as illegal, antisocial, or speculative purpose including but not limited to participation in stock markets/IPOs;
 - vi) Proceedings for misconducts are taken against the Borrower by any Government, Quasi Government or other authority; or
 - vii) If whereabouts of the Borrower is not known to the Group members or such other person(s) who would have known the whereabouts of the Borrower for a period of 30 (Thirty) days or more.
- c) If the Borrower fails to pay any monies on the Due Date or which may be declared due prior to the Due Date or commits any other default under any agreement (including the Agreement) in favour of USFB, USFB shall, without prejudice to any of its rights under each of the agreements, be absolutely entitled to exercise all or any its rights under any of the agreements entered into by the Borrower in favour of USFB, and/or withhold applicable amount/documents of the Borrower and/or terminate without any notice to the Borrower, any of the agreement (including the Agreement) in favour of USFB at the sole discretion of USFB.
- d) The remedies may be exercised by USFB, through its representatives, servants, officers, agents, third party/recovery agents and/or such other person as appointed by USFB.

USFB shall, without prejudice to its rights to perform the remedies by itself, perform the remedies through its representatives, servants, officers, agents, third parties/recovery agents and/or such other persons as may be appointed by USFB by delegating to such representative, servant, officer, agent, third party/recovery agent and/or such other person all or any of its functions rights and powers under the Facility Documents relating to the administration of the Loan including the rights and authority to collect and receive on behalf of USFB from the Borrower all dues and unpaid instalments and other amounts due by Borrower under the Facility Documents and to perform and execute all lawful acts, deeds, matters and things connected therewith and incidental thereto including sending notices contacting the Borrower, receiving cash/cheques/drafts/mandates etc. from the Borrower and giving valid and effectual receipts and discharge to the Borrower. For the purposes aforesaid or for any other purposes at the discretion of USFB, USFB shall be entitled to disclose to such third parties all information pertaining to the Borrower and the Loan. Notwithstanding the above, USFB (and/or any such third party as USFB may select) may contact any third parties (including the family members of the Borrower) and disclose all necessary or relevant information pertaining to the Borrower and the Loan. It is clarified that such agents, third parties/recovery agents and/or other persons shall be appointed by USFB only in conformity with the guidelines of RBI, and the details of such agents, third parties/recovery agents and/or other persons shall be provided to the Borrower at the time of exercise of Remedies by USFB, if any of the Remedies is proposed to be exercised through any such agent, third party/recovery agent and/or other person. Such agent, third party/recovery agent and/or other person shall carry a copy of the notice issued by USFB and the authorization letter issued to him/her/it by USFB along with the identity card issued to him/her/it by USFB. Changes (if any) in the agent, third party/recovery agent and/or other person during the recovery process shall be notified to the Borrower and the newly appointed agent, third party/recovery agent and/or other person shall carry the notice issued by USFB and the authorization letter issued to him/her/it by USFB along with the identity card issued to him/her/it by USFB. However, the

Borrower shall have the right to disagree with this right of USFB at any time, and USFB shall consider such requests if the Borrower serves upon it requisite request in writing in advance in this regard.

18. **USFB's Right of General Lien and Set Off:** In case of breach of any of the terms of the Agreement or these Terms & Conditions by the Borrower, USFB shall have automatic general lien and right of set off (without specific notice to the Borrower) on all the deposit accounts maintained by the Borrower with any branch of USFB and/or on all articles or assets (whether movable or immovable) of the Borrower in the custody of USFB either as securities for any other loan/advance availed by the Borrower from USFB or kept in safe custody/safe deposit vault. In the Event of Default being committed by the Borrower in payment of the installments, USFB shall be entitled to exercise its right of set off and appropriate any deposits maintained by the Borrower with any branch of USFB. USFB will be within its rights to sell/dispose of all such articles/assets held by USFB, at its discretion, if USFB observes any breach of terms of the Agreement or these Terms & Conditions and appropriate the proceeds in satisfaction of the dues owed by the Borrower to USFB. In addition to the above mentioned rights or any other right which USFB may at any time be entitled whether by operation of law, contract or otherwise, USFB will have absolute rights to: (a) combine or consolidate at any time all or any of the accounts and liabilities of the Borrower with or to any branch of USFB and (b) sell or dispose of any of the assets of the Borrower held by USFB, by way of public or private sale or assignment or in any other manner whatsoever without having to institute any judicial proceeding whatsoever and retain/appropriate from the proceeds derived therefrom the total amounts outstanding to USFB from the Borrower, including costs and expenses in connection with such sale/disposal/transfer/assignment, whether or not the Borrower's liabilities be actual or contingent, primary or collateral and several or joint.
19. USFB shall have the right to retain or to destroy at its pure discretion, the documents/information submitted by the Borrower in connection with the Loan, upon closure of the Loan.
20. **Assignment:** The Borrower shall not be entitled to assign his/her rights and/or obligations under the Facility Documents to anyone. However, USFB shall be at liberty to assign its rights and/or obligations, or to shift, at its discretion, without notice to the Borrower, from time to time a part or portion or whole of the Outstandings in the limit/s of the Loan (hereinafter referred to as the "**Participation**") to one or more scheduled commercial banks (hereinafter referred to as the "**Participating Bank/s**") under the provisions of the Uniform Code Governing Inter Bank Participations, 1988, or its amendments (copy of which can be had from USFB against requisition), which the Borrower shall be deemed to have read and understood. The Participation shall not affect the rights and obligations, inter se, Borrower and USFB in respect of the Loan, in any manner whatsoever. The Borrower shall not have and shall not claim any privity of contract with any such Participating Banks and USFB shall, and shall continue to, represent the Participating Banks in all respects and for all matters arising out of/relating to the Participation.
21. **Disclosure:** USFB shall respect the privacy of data of the Borrower. Notwithstanding the same, USFB shall be entitled to disclose any information and data relating to Borrower (including personal sensitive data or information and any information that requires a consent under the Information Technology Act, 2000/2008 and/or any other statute) and/or the loan availed and/or the defaults (if any), to: (a) any group entity, employees, agents, representatives etc. of USFB; (b) third parties engaged by USFB or any of its group entities; (c) any rating agency, insurer or insurance broker of, or direct or indirect provider of credit protection to USFB or its group entity; (d) any service provider or professional adviser of USFB or its group entity with the rights to further share it with their sub-contractors in any jurisdiction; (e) any credit bureau, Credit Information Companies, database/databanks, corporate, banks, financial institutions etc.; (f) any authority or other entity as required by law or any authority; (g) any other person to (or through) whom USFB assigns or transfers or novates (or may potentially assign or transfer or novate) all or any of its rights and obligations under the Facility Documents; (h) RBI or any Government or any other regulatory Authorities/Bodies/ Departments; and/or (i) any court or judicial, statutory authority/tribunal. The above persons may use and process the information and data disclosed by USFB in the manner as deemed fit by them. USFB shall have the right to disclose/submit the 'financial information' as defined under the Insolvency and Bankruptcy Code, 2016 (or any amendments thereto) and the Rules framed thereunder, in relation to the Loan transaction, to Information Utilities ("IU") and the Borrower should promptly authenticate such 'financial information' submitted by USFB, as and when requested by the concerned IU.
22. **Governing Law & Jurisdiction:** These Terms and Conditions and the Facility Documents shall be construed in accordance with the law in force in India. If any controversy or dispute should arise between the Parties in performance, interpretation or application of these Terms and Conditions and/or the Facility Document involving any matter, the same may be resolved amicably between the Parties. Any or all disputes arising out of these Terms and Conditions and the Facility Documents shall be subject to the sole and exclusive jurisdiction of the Courts and Tribunals within whose jurisdiction the branch/office of USFB where the Borrower maintains his/her Loan account.
23. **Notice:** Any notice or request or communication to be given or made by a party to the other shall be in writing and shall be sent to the concerned party(ies) at the address mentioned/specified in the Agreement. The notice/request/communication sent by the Borrower should be by way of pre-paid registered AD post/speed post and to be sent to the address of USFB (mentioned in the loan card) and shall be deemed to have been received by USFB, when it shall have actually been received by USFB at the address. The notice/request/communication sent by USFB may be sent in any manner that USFB may so deem fit and proper (in its sole and absolute discretion) and the same shall be deemed to have been received by the Borrower: (a) if given by post on the expiration of 2 (Two) days after the same shall have been delivered to the post office and for proving the service it shall be sufficient to show that the envelope containing the notice was properly

addressed and posted, and (b) if delivered personally, when left at the address of the Borrower (mentioned in the Agreement), and a certificate by an officer of USFB who sent such notice or communication that the same was so given or made shall be final, conclusive and binding the Borrower.

- 24. Miscellaneous:** (a) USFB shall without prejudice to its rights to perform such activities itself or through its officials or servants be absolutely entitled and have full powers and have authority to appoint one or more third parties of USFB's choice to transfer and delegate to such parties the right and authority to collect on behalf of USFB the installments, charges, unpaid amount and other sums due to USFB under the Facility Documents. (b) A demand promissory note may have to be executed by the Borrower in favour of USFB for the Loan Amount, if so stipulated by USFB without any demur as and when called upon to do so by USFB. (c) Any amendment/alteration/modification in the Loan, the rate of Interest, Amount of Instalment, Number of Instalment or any other condition related to the Loan shall be deemed to have been substituted here in the Facility Documents immediately upon such amendment/alteration/modification by USFB. (d) The Borrower shall comply, jointly and severally with all applicable laws and regulations from time to time in force including any amendments, modifications or changes thereof which may be made to any such laws and regulation.

25. Other Conditions: -

- a) In case the Borrower has to discontinue the activity for which the Loan was availed for any reason attributable to his/her default, negligence, misbehaviour or otherwise, or by an act of God or due to unforeseen circumstances or and becomes incapacitated to continue the activity for which the Loan was availed, the Outstandings under the Loan shall be repaid, immediately, upon demand by USFB.
- b) The Borrower shall inform USFB of any change in his/her financial condition, which is likely to affect USFB's decision to continue the Loan. For this purpose, the Borrower shall furnish to USFB on an annual basis, copies of the income-tax returns or any payment of tax and or such other documents as may be requested by USFB.
- c) The Borrower shall promptly give written notice to USFB of (i) any dispute which might arise between the Borrower and any person or any governmental body or authority relating to; (ii) any material circumstances affecting the ability of the Borrower to repay the Loan in the manner stipulated by USFB.
- d) The Borrower shall on USFB's request do, perform and execute such acts, deeds, matters and things as USFB may stipulate from time to time.
- e) The Borrower shall be deemed to have confirmed that the documents and true copies thereof, submitted to USFB are genuine. USFB shall have the right, at any time, to call for or require verification of originals of any/all such copies.

**TERMS AND CONDITIONS GOVERNING THE
GROUP LOAN AGREEMENT (MICRO BANKING)**

- f) The Borrower shall jointly and severally bear all costs of making good any deficit in stamp duty on the Facility Documents and other documents executed in relation to the Loan.

26. Other Disclosures:

- a) USFB is committed to transparency and Fair Lending Practices.
- b) USFB has adopted a Policy duly approved by its Board of Directors (which, inter alia, lays down minimum qualifications for the employees) in regard to the conduct of its employees and there exists a system for recruitment, training and monitoring of its employees. The training imparted to USFB's employees shall include programs to inculcate appropriate behaviour towards customers and training tools to deal with customers. Conduct of employees of USFB towards customers is incorporated appropriately in the compensation matrix.
- c) The Borrowers are not under obligation to sign the Agreement or other documents forming part of the loan transaction, unless all blank spaces therein are duly filled in with relevant particulars to the satisfaction of the Borrowers.
- d) USFB never insists the Borrower to submit any document, instrument or valuable items, other than what are discussed in these Terms and Conditions.
- e) USFB issues receipt for any amount collected from the Borrowers.
- f) No Security Deposit/ Margin is being collected from the Borrower.
- g) There will be no penalty charge on delayed payments.
- h) The moratorium between the grant of the Loan and the Due Date of repayment of the first instalment is more than the frequency of repayment.
- i) The pricing of the Loan involves only three components viz; the interest charge, the processing charge and the insurance premium (which includes the administrative charges in respect thereof).
- j) Customers who are facing serious debt repayment problems for reasons beyond their control can approach the branch for rescheduling their Loans.
- k) The grant of the Loan is not linked to any other product / services offered by USFB or third party.
- l) The privacy of Borrowers' data will be respected, subject to the covenants in the Agreement. The Borrower is aware that he/she has the right to dissent from sharing of his/her personal details with the entities mentioned in the Agreement. USFB shall consider such requests if the Borrower serves upon USFB requisite request in writing in this regard.
- m) Remedial measures discussed hereinabove shall not be taken by USFB in a routine manner. USFB has a mechanism for identification of the borrowers facing genuine repayment related difficulties, and USFB constructively engages with such borrowers and provide them necessary guidance about the recourses available.
- n) USFB shall not use engage in any harsh methods for recovery.
- o) USFB's representative, servant, officer, agent, and/or third party/recovery agent shall be allowed to make recovery at the place of residence or work of the Borrower only if the Borrower fails to appear at the designated/central designated place on two or more successive occasions.

- 27.** USFB has an established mechanism for redressal of grievances in a time bound manner, which is detailed in the Customer Grievance Redressal Policy of USFB, hosted on the Website and available at the branches/offices of USFB. As USFB shall be responsible for appropriate behavior of any representative, servant, officer, agent, third party/recovery agent and/or such other person as may be appointed by USFB, the Borrower may contact the toll-free helpline number **1800 208 2121** for clarifications, or if he/she observes inappropriate behavior or demands by any representative, servant, officer, agent, third party/recovery agent and/or such other person as may be appointed by USFB, or which do not conform to the above referred Other Disclosures. The Borrower may also approach the Regional Nodal Officers of USFB in this regard, at the respective Regions (changes in the contact particulars shall be updated on the Website, and the Borrower is advised to visit the Website or to contact the branch of USFB for latest contact particulars of the Regional Nodal Officers). USFB shall take appropriate measures, in conformity with its internal guidelines, in regard to the instances of inappropriate behavior from any representative, servant, officer, agent, third party/recovery agent and/or such other person as may be appointed by USFB:

East	West	North	South
Regional Nodal Officer Ujjivan Small Finance Bank Ltd., 4th Floor, Rishi Tech Park, Premises No.020360, Plot No.DH6/2, Action Area 1D, New Town, Kolkata - 700 156	Regional Nodal Officer Ujjivan Small Finance Bank Ltd., Almonte IT Park, SR No: 8, 7 th Floor, Next to Reliance Smart, Hadapsar Mundhwa Bypass, Village Kharadi, Pune - 411 014 Contact Number: +91 20 41412121 Ext: 130	Regional Nodal Officer Ujjivan Small Finance Bank Ltd., Block-D, Plot No: 7, Vyapar Marg, GMTT Building, 2 nd & 3 rd Floor, Block D, Sector 3 Noida, Uttarpradesh - 201 301 Contact Number:	Regional Nodal Officer Ujjivan Small Finance Bank Ltd., Grape Garden, No: 27, 3rd A Cross, 18th Main, 6th Block, Koramangala, Bengaluru - 560 095 Contact Number: +91 80 4071 2121 Ext: 874

**TERMS AND CONDITIONS GOVERNING THE
GROUP LOAN AGREEMENT (MICRO BANKING)**

Contact Number:			
-----------------	--	--	--

Page

+91 33 4045 2171 Ext: 171 Email: rno.east@ujjivan.com	Email: rno.west@ujjivan.com	+91 0120 6262121 Ext: 120 Email: rno.north@ujjivan.com	Email: rno.south@ujjivan.com
---	---	--	---

The Borrower is informed that a copy of these Terms and Conditions is available at branches of USFB for reference purpose. The Borrower is specifically informed that he/she is not under obligation to accept/acknowledge/agree to/sign the Facility Documents (which includes these Terms and Conditions) unless he/she reads, understands and convinces himself/herself about the terms and conditions of the Facility Documents, and he/she is fully agreeable with the clauses therein.

