



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

1. DEFINITIONS:

- 1.1. **"Agreement"** means the agreement between the Borrower and USFB in relation to the Loan.
- 1.2. **"Annual Percentage Rate" or "APR"** means the annual cost of credit to the Borrower including Interest at RoI and all other charges associated with the Loan.
- 1.3. **"Application Form"** means the loan application form submitted by the Borrower to USFB for applying and availing of the Loan (as defined hereinbelow).
- 1.4. **"Borrower"** means and includes such person to whom USFB has agreed to grant the Loan and who has received the Loan and the Borrower as mentioned in the Agreement.
- 1.5. **"Business Day"** means a day on which USFB and banks are open for business in the location from where the Loan is sanctioned.
- 1.6. **"Authority"** includes the Government of India ("GoI"), RBI, government, provinces or states or any other political subdivision thereof, any entity, authority or body exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government, including any government authority, agency, department, board, commission or instrumentality of India, any court, tribunal or arbitrator, and any self-regulatory organization.
- 1.7. **"Cooling Off" or "Look-Up Period"** means the time window given to Borrower for exiting the Loan by paying principal and proportionate APR without any penalty, in case he decides not to continue with the Loan. Where the Borrower decides to discontinue the Loan after the Look-Up Period, the Borrower needs to fulfill the terms and conditions as stipulated by USFB from time to time.
- 1.8. **"Due Date"** means the date(s) on which payment of any Outstandings fall due.
- 1.9. **"Facility Documents"** includes Application Form, sanction letter (if any), these Terms & Conditions ("T&C"), 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.
- 1.10. **"Fixed Rate of Interest"** means the fixed rate of Interest applicable on the Loan, which is subject to review by USFB.
- 1.11. **"Floating Rate of Interest"** means the sum of the MCLR plus spread applied by USFB on the Loan, as per the Agreement, which is subject to review by USFB from time to time.
- 1.12. **"Group"** means (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.
- 1.13. **"Interest"** means the interest charged on the Loan at the rate of interest ("RoI") mentioned in the Key Fact Statement ("KFS")/loan card, payable by the Borrower to USFB.
- 1.14. **"Loan"** means the loan amount as sanctioned by USFB to the Borrower pursuant to the Application Form, more fully specified in the Agreement.
- 1.15. **"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.
- 1.16. **"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 under the Facility Documents; or (b) prejudicial to the financial condition of the Borrower, or (c) the rights or interests of USFB, in the opinion of USFB.
- 1.17. **"Net-Off Account"** means any existing loan account of the Borrower, which needs to be closed by the Borrower simultaneous with availing the Loan.
- 1.18. **"Net-Off Amount"** means the amount netted off from the Loan for closure of the Net-Off Account.
- 1.19. **"Outstandings"** means at any time, all amounts (whether of principal, Interest, compounded interest, Penal Charges, liquidated damages, fees, costs, commission, charges, expenses or otherwise) owing or payable from/by the Borrower to USFB arising out of or in connection with the Loan pursuant to the terms and conditions of the Facility Documents and including, without limitation, any amounts for which the Borrower is liable to indemnify USFB in any manner whatsoever as per the Facility Documents and any and all sums spent by USFB for recovery or enforcement of its rights under the Facility Documents.
- 1.20. **"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 and/or in conformity with such changes to the Repayment Schedule as may be communicated to the Borrower by USFB, from time to time.
- 1.21. **"Pre-Closure"** means repayment of the entire Outstandings before the completion of tenure stipulated in the KFS, subject to the terms and conditions laid down by USFB.

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

- 1.22. **“Processing Fee”** means and includes, at the discretion of USFB, all such initial payments which shall be levied by USFB for disbursement of the Loan to the Borrower.
- “Repayment”** means repayment of all Outstandings.
- 1.23. **“RBI Guidelines”** includes all guidelines, circulars, notifications, norms, regulations, requirements, restrictions, and/or decisions issued/made by the Reserve Bank of India (**“RBI”**) from time to time.
- 1.24. **“Repayment Schedule”** means the repayment schedule mentioned in the Agreement/loan card and as may be revised and communicated by USFB to the Borrower from time to time.
- 1.25. **“Tax”** includes any tax, levy, impost, goods and service tax (GST), duty or other charge or withholding of similar nature (including any penalty, interest, fine, surcharge or the payment in or in respect thereof).
- 1.26. **“USFB”** 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 and shall include its successors and assigns.
- 1.27. **“Website”** means the website of USFB, presently being www.ujjivansfb.bank.in
- 2. Interpretation:** In the Facility Documents: (i) reference to one gender includes all genders; (ii) singular shall include plural and vice versa, including in relation to the defined terms; (iii) reference to any document, instrument, law etc. shall be construed to include reference to amendments, extensions, re-enactments, supplementals, restatements, novations and/or consolidations thereto from time to time; (iv) any determination of ‘materiality’ or ‘reasonability’ of any matter shall be as determined by USFB in its sole discretion; (v) all the Schedules, Annexures and Exhibits to the Facility Documents shall form an integral part of the relevant Facility Document; and (vi) when there is more than one Borrower, the term Borrower shall include all such Borrowers and each of the Borrowers shall be jointly and severally liable under the Facility Documents and in relation to the Loan.
- 3. Loan and Disbursement:** USFB may, at its sole and absolute discretion, lend and the Borrower agrees to borrow from USFB the Loan by completing the processes/formalities through physical mode, mobile banking application or any other form (including through any user interface prescribed by USFB) for the purpose and on the terms and conditions set out in the Facility Documents. If the Borrower has availed any group loan and the same is outstanding in USFB’s books, the Loan shall be disbursed only after closure of such existing loan or after netting-off the dues under such existing loan by USFB, from and out of the proceeds of the Loan without any pre-payment penalty and/or prejudice being caused to the Borrower due to such netting-off, and accordingly the Borrower shall continue to be liable to repay entire outstanding’s to USFB. The Loan may be disbursed by USFB to the Borrower by way of account credit or such other mode as permitted by law (including without limitation by adjustment/deduction for payment of processing fees of the loan or payment of premium of insurance, where such insurance is opted for by the borrower). The Loan shall be deemed disbursed on the date of such entry in the records of USFB, irrespective of whether such date is a Business Day or not, and the Borrower shall continue to remain liable to USFB for 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.
- 4. Repayment:** The Borrower shall repay to USFB, the Loan, together with accrued Interests applicable thereon from the date of disbursement, by way of PI and all other Outstandings on or before the respective Due Dates in accordance with the Repayment Schedule. 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. USFB reserves the right to round off PI received in fractions to the nearest 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 RoI, either the Repayment tenure or the amount of the PI shall be subjected to such changes as may be required. If USFB permits Repayment under the Loan through Automated Clearing House (**“ACH”**) instructions or through Standing Instructions linked to the Borrower’s account with USFB (**“SI”**), the Borrower shall execute requisite mandate for registering ACH/SI. USFB may execute/process the ACH/SI on the Business Day falling on the previous or the subsequent day of the Due Date and the Borrower shall at all times ensure that the relevant account has requisite balance to honour such ACH/SI. Unless the Borrower request 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 as per the Repayment Schedule. It is clarified that, USFB also reserves the right to insist the Borrower to amortize the Loan as per the Repayment Schedule or to accelerate Repayments. The accounting practice adopted by the Bank for appropriation of the Repayment made by Borrower or amount realized/received/recovered by USFB towards the Outstandings shall not be prejudicial to the interests of Borrower and may be appropriated in the following manner or as USFB may deem fit in its sole discretion: (a) firstly, towards the re-imbursement of the costs/expenses incurred by USFB; (b) secondly, towards Interest in arrears (including accrued Interest), whether debited or not; and (c) lastly, towards the principal amount of the Loan.

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

5. **Interest:** The Borrower shall pay Interest on the Loan, from the date of its disbursement, at the rate and in frequency specified in the Agreement. The RoI will be benchmarked to MCLR for Group Loan segment. The actual RoI shall be a component of either MCLR plus applicable spread as determined by USFB. If the Loan is availed on Fixed Rate of Interest, the RoI will be fixed. If the Loan is availed on Floating Rate of Interest, the RoI shall be linked to MCLR or such other rate duly notified by USFB in its branches, outlets, offices or Website, and the term MCLR is a tenure linked benchmark, arrived based on the corresponding tenure of the Loan or disbursements made thereunder. 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, or the RBI Guidelines or law. 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. Such changes shall be effected only prospectively. Any such change in the Interest rate and periodicity thereof shall be binding on the Borrower. The Interest calculated on the basis of the RoI mentioned in the Facility Documents shall be rounded off to the next rupee calculated on monthly rests. 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. The RoI is reasonable and represents genuine pre-estimate of the loss expected to be incurred by USFB in the event of non-payment of Outstandings by the Borrower and the Borrower shall be deemed to have acknowledged the genuineness and reasonability of the same. In an event the Loan is subjected to any moratorium, the Borrower shall service Interest, apart from complying with other conditions stipulated by USFB.
6. **Charges/Fees:** All Processing Fees and charges shall be paid by the Borrower to USFB at the time of disbursement of the Loan. Processing Fees not paid by the Borrower shall be recovered by USFB while disbursing the Loan. Any such charges/fees/Taxes shall be paid to USFB by the Borrower simultaneously with debit. All fees and charges are non-refundable under all circumstances. The Borrower shall also pay to USFB all such charges as mentioned in the Facility Documents. The Borrower shall 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.
7. **Life Insurance of Borrower:** Borrowers who wish to obtain life insurance cover for insuring their lives on their own accord and free will, shall be free, on voluntary basis, to opt for insurance coverage. All matters related to the insurance policy are subject to the terms and conditions of the relevant insurer and USFB shall not be liable or responsible for any matters relating to the insurance opted by Borrower. In an event, the Borrower opts for an insurance through USFB, the Borrower: (i) authorizes USFB to make payment of the premium by utilizing amounts under the Loan and treat the same as disbursed under the Loan, and (ii) shall ensure that the insurance is endorsed in favour of USFB as first loss payee till the time the Loan is not closed. The certificate of insurance shall be shared to the Borrower post acceptance of the insured coverage by the insurer. Post policy issuance, a link with for downloading copy of certificate of insurance shall be sent to Borrower over SMS. In case, Borrower wants a physical copy of the policy, Borrower can visit the branch of USFB or call phone banking and physical copy shall be handed over in the Branch.
8. **Pre-Closure:** USFB may, at its sole discretion, allow Borrower to pre-close the Loan subject to the terms and conditions stipulated by USFB from time to time.
9. **Restriction of Liability:** USFB is not bound to disburse the Loan under any circumstances including in case of fulfilment of the Conditions Precedent and the terms 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 view that the Borrower is not compliant of any such terms and conditions, USFB may cancel the Loan, even if the Loan is disbursed in full or in part. Where the Borrower is reported as fraud (either by USFB or any other lender), in reference to the applicable RBI Guidelines, USFB reserves the right to not grant the Loan to the Borrower, till expiry of such cooling period as determined by USFB from time to time. The Borrower shall at all times continue to remain liable for ensuring the payment/repayment of all PI and 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 will be given only after realization, on the Due Date(s) occurring after such realization. The acceptance by USFB of any payment in part shall not constitute waiver of USFB's: (i) right to receive the full payment at such time or at any subsequent time, or (ii) other rights. If the Loan is restructured/rescheduled in any manner at USFB's discretion, the Borrower shall conduct the Loan account as per the terms and conditions governing such restructuring/rescheduling. Such restructuring/rescheduling of Loan by USFB shall not constitute any waiver of rights of USFB or obligations of 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 Facility Documents.
10. **Subsidy/Incentive:** If the Loan or the Borrower is eligible for any subsidy or incentive at the instance of any Authority, such subsidy/incentive, if granted, shall be gratuitous. The Borrower should get acquainted with laws and policy(ies) of USFB governing such subsidy/incentive and Borrower shall be deemed to have

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

knowledge of the same. USFB shall not be under any obligation or liability with regard to such subsidy/incentive other than those covered under the relevant laws. The Borrower shall not be eligible for subsidy/incentive and benefits thereunder, unless conduct of the Loan account is satisfactory in the opinion of USFB and/or the Authority granting such subsidy/incentive. The Borrower should refund the subsidy/incentive, if any, received by him forthwith upon demand by USFB, either to USFB or to any Authority stipulated by USFB. Any amount not so refunded shall automatically form part of the Outstandings. If the Loan is granted under any special scheme of an Authority, the Loan shall be governed by the laws governing such scheme and the guidelines/policy(ies) of USFB, drawn in conformity with such scheme, including without limitation identification of beneficiaries, moratorium and Interest servicing.

- 11. Representation & Warranties:** (a) Borrower shall be deemed to have declared, represented and warranted on a continuing basis that: (i) he is entitled and empowered to borrow the Loan and execute the Facility Documents; (ii) no civil or criminal proceedings (including insolvency proceedings) is/are concluded or initiated or pending or threatened against him or his assets; (iii) he 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 as wilful defaulter, USFB shall have the right to take appropriate proceedings against him, (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 participation in stock markets/IPOs etc.; (vi) he 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 GOI 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 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, (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) Borrower shall permit and have permitted USFB to inspect Borrower's premises to ascertain end use of Loan. Each of the aforesaid shall be deemed to be repeated by daily, till closure of Loan.
- 12. Conditions Precedent:** USFB may make disbursement(s) under Loan subject to: (a) Borrower meeting USFB's requirement of creditworthiness. USFB shall be entitled to: (i) make or cause to be made market inquiries or credit bureau checks of such nature in this regard, and (ii) call for such credentials from Borrower, as it deems fit, (b) the Borrower being in compliance of all the terms and conditions of the Facility Documents, and non-existence of any default, breach or Event of Default under Facility Documents, (c) absence of any circumstances, proceedings or threat thereof which, if adversely determined, may lead to a Material Adverse Effect, (d) execution, filing, registration and delivery, by Borrower, of all Facility Documents in form, manner and substance acceptable to USFB, (e) If required by USFB, or any law, the Borrower satisfying USFB: (i) about utilization of proceeds of prior disbursements (if any) under the Loan, and (ii) that the disbursement is required and shall be utilized only for the purpose for which it is sanctioned.
- 13. Occurrence of any of the following events shall constitute an event of default ("Event of Default"):** (a) Non-payment of an Outstanding on relevant Due Date. It is clarified that only the Due Date shall be reckoned for the purpose of RBI Guidelines 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. (c) Breach of any terms and conditions of the Facility Documents or any of the Representations and/or Warranties as contained in the Facility Documents being or becoming untrue or false. (d) Any information given by the Borrower to USFB is 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 or addition of any member, or declared activity of the Group (if any, recognized for considering grant of the Loan) undergoes a 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 arrangement entered into by the Borrower with USFB, any bank, financial institution and/or other creditors, either under the Facility Documents ("**Cross Default**"). (h) Initiation or threatening of any proceeding for declaring the Borrower as insolvent or wilful defaulter or passing of any order passed against the Borrower thereunder. (i) Any instance, including an early warning signal, which, in the opinion of USFB, would attract the guidelines on fraud risk management issued by the RBI. (j) Proceedings for misconduct being taken against the Borrower by any Authority. (k) If whereabouts of the Borrower is not known to the Group or such other person(s) who would have known the whereabouts of the Borrower for a period of 30 (thirty) days or more. (l) An event, condition or circumstance exists or occurs which may have a Material Adverse Effect.

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

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

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.

Illustration for Classification of Loan as SMA: If due date of a loan account is March 31, 2021, and full dues are not received before the lending institution runs the day-end process for this date, the date of overdue shall be March 31, 2021. If it continues to remain overdue, then this account shall get tagged as SMA-1 upon running day-end process on April 30, 2021 i.e., upon completion of 30 days of being continuously overdue. Accordingly, the date of SMA-1 classification for that account shall be April 30, 2021. Similarly, if the account continues to remain overdue, it shall get tagged as SMA-2 upon running day-end process on May 30, 2021 and if continues to remain overdue further, it shall get classified as NPA upon running day-end process on June 29, 2021.

14. USFB shall provide statements of the Loan account to the Borrower during the course of the Agreement or the Loan (or after closure of the Loan) only upon request by the Borrower and payment of such charges as may be decided by USFB from time to time and intimated to the Borrower.
15. USFB shall be entitled, without obligation, to monitor end use of the Loan including through any auditor or consultant as appointed by USFB at Borrower’s cost and get necessary certificates from them.
16. **Remedies of USFB:**
 - a) The remedies mentioned herein shall be without prejudice to the other rights and remedies of USFB.
 - b) In an Event of Default, USFB may, by issuing a notice to the Borrower declare that the entire Outstandings including principal and interest has become payable forthwith and USFB may at its sole discretion terminate the Agreement.
 - 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 default under a Facility Document, USFB shall, without prejudice to any of its rights, be absolutely entitled to exercise all or any its rights under any of the Facility Documents, and/or withhold applicable amount/documents of the Borrower and/or terminate without any notice to the Borrower, any of the Facility Documents at the sole discretion of USFB.
 - d) Remedies may be exercised by USFB, through its representatives, servants, officers, agents, third party/recovery agents and/or other person as appointed by USFB (collectively “**Representatives**”).

USFB shall, without prejudice to its rights to perform the remedies by itself or through Representatives by delegating to such Representatives 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 from the Borrower, all Outstandings 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. 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 Representatives, all information pertaining to the Borrower and the Loan to which the Borrower agrees by execution of the Agreement. Notwithstanding the above, USFB (and/or any Representative) may contact any third parties (including family members of the Borrower) and disclose all necessary or relevant information pertaining to the Borrower and the Loan. It is clarified that such Representatives shall be appointed by USFB only in conformity with the RBI Guidelines, and the details of such Representatives 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 Representatives. Such Representatives shall carry a copy of the notice issued by USFB and the authorization letter issued to him by USFB along with the identity card issued to him by USFB. Changes (if any) in the Representatives during the recovery process shall be notified to the Borrower and the newly appointed Representative shall carry the notice issued by USFB and the authorization letter issued to him by USFB along with the identity card issued to him 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 written requisite request in this

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

regard in advance. Further, the remedies discussed herein shall be in addition to the remedies available to USFB in reference to the RBI Guidelines, including those on fraud risk management.

- 17. USFB's Right of General Lien and Set Off:** In addition to all rights of lien and set-off available under law, USFB shall have lien upon and right of set off (without specific notice to the Borrower) against, all monies and other assets of the Borrower at any time in possession of or on deposit with USFB held in any account or for safe keeping or otherwise; and such rights may be exercised without demand upon or notice to the Borrower. No such rights shall be deemed to have been waived by any act, omission or delay of/by USFB and every right of lien and set-off shall continue in full force and effect until any such right is specifically waived by USFB in writing. In addition to the above mentioned or other rights of USFB, USFB will have absolute rights to: (a) combine or consolidate at any time any or all accounts and/or liabilities of the Borrower with or to any branch of USFB, and (b) sell or dispose any asset 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 proceeding whatsoever and retain/appropriate from the proceeds thereof against the Outstandings.
- 18.** USFB shall have the right to retain or to destroy at its sole discretion, the documents/information submitted by the Borrower in connection with the Loan, upon closure of the Loan.
- 19. Assignment/Participation:** By executing the Agreement, Borrower agrees that: (a) he shall not be entitled to assign his rights/obligations under Facility Documents to anyone. (b) USFB shall be at liberty to and may, without any notice or reference to Borrower, (i) shift part or portion of the Outstandings ("**Participation**") to one or more scheduled commercial banks ("**Participating Bank/s**") and Participation shall be governed by the terms of UNIFORM CODE GOVERNING INTER BANK PARTICIPATIONS, 1988 which Borrower shall be deemed to have read and understood, and/or (ii) assign, transfer, novate or securitise its rights and/or obligations under Facility Documents and/or the Outstandings in part or in whole, to one or more banks/financial institutions/any other person whether in or outside India. (c) Participation shall in no manner affect rights/obligations, inter se, Borrower and USFB in respect of Outstandings, and USFB may continue to represent Participating Banks in all respects and for all matters arising out of/relating to Participation. (d) Borrower shall not claim any privity of contract with Participating Bank/s or with any such entity to whom rights or obligations under Facility Documents are assigned/transferred/novated/securitised and Borrower confirms that it shall continue to be bound by the terms of the Facility Documents notwithstanding such Participation or transfer/assignment by USFB.
- 20. Disclosure:** USFB shall respect privacy of Borrower's data. Notwithstanding this, 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 law) and/or loan availed and/or defaults (if any), to: (a) any Representatives etc. of USFB or its group entity; (b) group entities of USFB; (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/professional adviser of USFB or its group entity with rights to further share it with their sub-contractors in all jurisdictions; (e) any credit bureau, credit information companies, database/databanks, corporate, banks, financial institutions etc.; (f) any Authority or person as required by law; (g) any other person with/to (or through) whom USFB does or may potentially assign/transfers/novates (or may assign/transfer/novate) its rights and/or obligations under Facility Documents or do Participation. The above mentioned may use and process such information and data in manner as they deem fit. USFB shall have the right to disclose/submit '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 Borrower should promptly authenticate such 'financial information' submitted by USFB, as and when requested by the concerned IU.
- 21.** All Facility Documents shall be governed by laws of India. All disputes arising out of Facility Documents shall be subject to the exclusive jurisdiction of Courts and Tribunals within whose jurisdiction branch of USFB where relevant Loan account is maintained is located. However, USFB may in its absolute discretion commence any legal action or proceedings in any other court, tribunal or other appropriate forum and Borrower hereby consents to that jurisdiction.
- 22. Notice:** Any notice or communication to be given under Facility Documents shall be in writing and be sent to the address mentioned in the Agreement/loan card. The notice/communication sent by: (i) Borrower should be by pre-paid registered AD post/speed post and shall be deemed to have been received by USFB upon its actual receipt, and (ii) USFB may be sent in any manner as it may deem fit and the same shall be deemed to be received by the Borrower: (a) if given by post on expiry of 2 (two) days after delivery to the post office, and (b) if delivered personally, when left at the Borrower's address, and a certificate by USFB's officer stating that the same was delivered shall be conclusive evidence of the same.
- 23. Miscellaneous:** (a) USFB shall have unfettered rights to: (i) get the account(s), business, activities and/or premises of Borrower inspected/audited by auditor(s) (internal or external) of USFB's choice, to take or cause to be taken appropriate measure(s) on account of fraudulent transaction(s) suspected to have taken place in relation to the Loan or any transactions therein, and (ii) adopt such measures as it deems fit for identifying early warning signals and red flagging of the Loan/detecting fraud in relation to thereto, where

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

in USFB's opinion conduct of Loan or transactions therein may be fraud. (b) Borrower is aware that due notice will be issued to him prior to red flagging/declaring fraud, where USFB considers in good faith that such notice is necessary as per RBI Guidelines. If such notice is issued, Borrower will have opportunity to respond/represent (in writing) within given timelines. Where Borrower fails to: (i) serve upon USFB a response/representation in writing, or (ii) extend co-operation, within timelines prescribed by USFB, USFB reserve the right to take such further steps as it deems fit for red flagging of Loan/declaring fraud in relation to Loan based on materials available with it. (c) Where Loan is red flagged/declared fraud, USFB may report the same to relevant platforms/Authorities as per RBI Guidelines. (d) USFB may by itself or through Representatives collect/recover the Outstandings. (e) A demand promissory note may have to be issued by Borrower to USFB for the Loan as and when required by USFB. (f) Any amendment/alteration/modification in the Loan, RoI, amount/number of instalments, or any condition related to Loan shall be deemed to have been substituted in Facility Documents immediately upon such amendment/alteration/modification by USFB. (g) Borrower shall at all times comply with all applicable laws.

24. Other Conditions: -

- a) If Borrower has to discontinue the activity for which the Loan was availed for any reason attributable to his default, negligence, misbehavior, by force majeure or due to unforeseen circumstances or otherwise, Outstandings under Loan shall be repaid, immediately on demand by USFB.
- b) The Borrower shall inform USFB of any change in his financial condition, which is likely to affect USFB's decision to continue the Loan. For this, Borrower shall furnish to USFB, annually, copies of income-tax returns or any tax payments and or such other documents as may be sought by USFB.
- c) Borrower shall promptly give written notice to USFB of any event/circumstance which may lead to Material Adverse Effect.
- 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) Borrower shall be deemed to have confirmed that all documents and true copies thereof, given to USFB are genuine and that USFB may, at any time, call for originals for (re)verification.
- f) Borrower shall bear all costs of making good any deficit in stamp duty on the Facility Documents.

25. Other Disclosures: USFB is committed to transparency and Fair Lending Practices, and (a) 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. Training imparted to USFB's employees include programs to inculcate appropriate behavior towards customers and training tools to deal with customers. Conduct of employees of USFB towards customers is incorporated appropriately in the compensation matrix, (b) The Borrowers are not under obligation to sign any Facility Document, unless all blank spaces therein are duly filled in with relevant particulars to their satisfaction, (c) USFB never insists to submit any document, instrument or valuable items, other than what is mentioned in the Facility Documents, (d) USFB issues receipt for any amount collected from Borrower, (e) No security deposit/margin is being collected from Borrower, (f) There will be penalty charged on delayed payments, (g) The pricing of the Loan involves only three components viz; the Interest charge, processing charge and insurance premium (which includes the administrative charges in respect thereof), (h) Customers who are facing serious debt repayment problems for reasons beyond control can approach the branch to reschedule their loans, (i) The grant of Loan is not linked to any other product/services offered by USFB or third party, (j) The privacy of Borrowers' data will be respected, subject to the covenants in the Agreement. The Borrower is aware that he has the right to dissent from sharing his personal details with the entities mentioned in the Facility Documents. USFB shall consider such requests if Borrower serves requisite request to USFB in writing, (k) 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 provides them necessary guidance about available recourses, (l) USFB shall not use/engage in any harsh methods for recovery, (m) USFB's Representatives 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.

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 its branches/offices. As USFB shall be responsible for appropriate behavior of Representatives of USFB, Borrower may contact the toll-free helpline number **1800 208 2121** for clarifications, or if he observes inappropriate behavior or demands by any such Representatives which do not conform to the other disclosures referred above. Borrower may also approach regional nodal officers of USFB as mentioned in the Agreement.

The Borrower is informed that copy of these T&Cs is available at branches of USFB for reference. The Borrower is informed that he is not under obligation to accept/acknowledge/agree to/sign the Facility Documents (including these T&Cs) unless he reads, understands, convinces himself about and fully agrees with the terms of the Facility Documents.