

MOST IMPORTANT TERMS AND CONDITIONS

The most important terms and conditions (“MITC”) of the education loan sanctioned (“**Education Loan Facility**”) to the undersigned Borrowers by Credila Financial Services Limited (Formerly known as HDFC Credila Financial Services Limited) (hereinafter referred to as “**Credila**”), a company incorporated under the Companies Act, 1956 and having its registered office at 2nd Floor, AllCargo House, Kalina, CST Road, Santacruz (E), Mumbai – 400098 are agreed upon and mentioned as under:

1. Fees and Other Charges:

- i. Fees and other charges as applicable on application/ during the term of Education Loan Facility, areas under:

Sr. No.	Name of fees / Charges Levied	Description of Charges	When Payable	Frequency	Amount in Rupees
1.	Delayed Penal Charge	Additional charge	On Accrual	Monthly	2% per month of overdue installment (PMII/MI) + all applicable taxes thereon.
2.	Expenses to cover cost	Incidental Charges	On Incurring Expenses	As and When Applicable	Incidental charges and expenses are levied to cover the cost, charges, expenses, and other monies at actuals plus applicable taxes.
3.	Statutory Charges/ Stamp Duty	Fees payable to the Central Registry of Securitisation Asset Reconstruction and Security Interest of India (“ CERSAI ”)	On Disbursement / Creation of security/ Change of Security	One Time	As per charges levied by CERSAI .
		Stamp Duty on execution of Memorandum of Deposit (“ MOD ”)/ Memorandum of Entry (“ MOE ”), Education Loan Agreement or any other facility document.	On/ Before Disbursement or upon execution of Facility Documents	As and When Applicable	As applicable in the respective state.
4.	Cheque/ Direct Debit /Automated Clearing House (ACH) Mandate Dishonor Charge	Incidental Charges	On every Dishonor of Cheque/Direct Debit/ACH Mandate	On every Dishonor of Cheque/Direct Debit/ACH Mandate	Rs. 500/- per dishonor of Cheque/Direct Debit /ACH Mandate return per presentation plus applicable taxes thereon.
5.	Collection Charges	Incidental Charges	On Accrual	As and when applicable	Rs. 200/- per visit plus applicable taxes thereon

6.	Swap Charges (for replacement of ACH MI Mandate / Direct Debit/ ACH Security Mandate etc.)	Incidental Charges	On Accrual	On each request	Upto Rs, 500/- per swap instance plus applicable taxes thereon.
7.	Charges for Updating & Handling Loan Account as Per Borrower Request	Incidental Charges	On Accrual	On each request	Rs. 1,500/- plus applicable taxes thereon.
8.	Documentation Fees/ Loan Origination Fees	Incidental Charges	On Accrual	One Time	Non-Refundable amount as determined on case to case basis more particularly mentioned in sanction letter.
9.	Spread Conversion charge	Incidental Charges	On Accrual	On each request	0.5% plus applicable taxes on principal outstanding
10.	Conversion Charges	Incidental Charges	On Accrual	On each request	a) Floating rate to fixed rate - 0.75% (plus GST) on principal outstanding at time of conversion. b) Fixed rate to floating rate – 0.5% (plus GST) on principal outstanding at time of conversions
11.	Foreclosure charges on fixed interest rate loan	Incidental Charges	On Accrual	On each request	2% (plus GST) charge on the outstanding amount being foreclosed.
12.	Prepayment Charges on fixed interest rate loan	Incidental Charges	On Accrual	On each request	2% (plus GST) charge on part of the outstanding amount being prepaid.
13.	Collateral Swap	Incidental Charges	On Accrual	On each request	0.50% of loan amount, subject to minimum of Rs 10,000 + GST (per collateral swap)
14.	Legal Charges	Incidental Charges	On Accrual	As and when applicable	a) Rs. 1500/- plus applicable taxes thereon on each Days Past Due (DPD) notice sent to any or all Borrower(s). b) Rs. 2000/- plus applicable taxes thereon on each Loan Recall Notice (LRN) is sent to any or all Borrower(s). c) -Rs. 10,000/- plus applicable taxes thereon on filing a Criminal case against any or all Borrower(s). d) -Rs 20,000/- plus applicable taxes thereon on filing a Civil case against any or all Borrower(s). e) All charges on Actual basis plus applicable taxes there on, on filing a case under Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (as amended from time

					to time). f) All charges/ expenses on actual basis plus applicable taxes thereon incurred by Credila for recovery of outstanding Education Loan facility amount
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ii. Prepayment Charges:

1.	Adjustable-Rate Loans	The Borrower(s) shall be entitled to prepay the entire Outstanding Education Loan by providing Credila an intimation in writing with Borrower(s) intention to make such prepayment. The Borrower(s) shall be entitled to prepay the Education Loan Facility, either partly or fully, as per the existing Prepayment Policy and as amended from time to time. In the event of any prepayment, Credila will not levy any prepayment charges and as amended from time to time.
2.	Fixed Rate Loans	The Borrower(s) shall be entitled to prepay the entire Outstanding Education Loan by providing Credila an intimation in writing with Borrower(s) intention to make such prepayment. The Borrower(s) shall be entitled to prepay the Education Loan Facility, either partly or fully, as per the existing Prepayment Policy and as amended from time to time. In the event of any prepayment Credila shall levy charges as per abovementioned table.

Note: Charges mentioned above are excluding the Payment Gateway Charges as directly levied by payment gateway merchant (wherever applicable to be borne by the customer).

2. Interest Rate Reset Revision Cycle:

- i. One Month or such other intervals as shall be notified by Credila from time to time.
- ii. Subject to variation in terms of the Education Loan Agreement executed/ to be executed between Credila and the Borrower(s), Credila shall endeavour to keep its Borrower(s) informed of any change in interest rates through registered e-mail ID of the Borrower(s), SMS, company website (www.credila.com), annual statement of accounts, display in its offices and general announcements from time to time.

3. Insurance:

- i. Insurance of property: The Borrowers may ensure that the property is, during the pendency of the Education Loan Facility, always duly and properly insured against all risks such as earthquake, fire, flood, explosion, storm, tempest, cyclone, civil commotion, etc. Credila be made the sole beneficiary under the policy/policies.
- ii. Insurance of Borrower(s): The Borrower(s) may avail health and/or life insurance cover and/or general insurance cover for himself/ herself with Credila as the sole beneficiary under the policy/policies during the pendency of the Education Loan Facility.

4. Reset/Revision of Credila Benchmark Lending Rate (CBLR):

- i. At the time of reset of CBLR, Credila will offer Borrower(s) the option to switch over from floating rate to fixed rate of interest or vice versa, subject to eligibility of the Borrowers. The fixed rate to be offered at the time of reset of the CBLR will be decided by Credila at its sole discretion. The Borrower(s) will have the option to switch from floating interest rate to fixed interest rate once during the tenure of the education loan. The option to switch back from fixed interest rate to floating interest rate will also be made available once during the tenure of the loan, thus facilitating a total of two such switch options during the loan tenure. The charges for switching the loans from floating rate to fixed rate and from fixed rate to floating rate are mentioned in table above.
- ii. Eligibility criteria for switching from Floating to Fixed rate (and vice versa) –
While the Borrower(s) has/have the option to switch from a floating rate loan to a fixed rate loan at the time

of reset of the CBLR and vice versa, the optionality will be made available to those Borrower(s) who fulfill certain eligibility criteria:

- i. Loan has been disbursed not less than 1 (one) year prior to the request.
 - ii. There is no outstanding PMII/ EMI pending from the Borrower(s) at the time of request to switch.
 - iii. The previous switch was undertaken at least 1 (one) year prior to the current request.
 - iv. The maximum allowable switches have not been utilized by the Borrower(s).
 - v. Any other eligibility criteria as solely determined by Credila at any given point of time.
- iii. At the time of reset of CBLR, Borrowers will have choice to increase or reduce the PMII / MI or tenure, or both as per below parameters:

1. When CBLR is reduced:

- i. For Partial Interest Loans: Option to choose between reduction in MI amount or tenure or both will be made available to the Borrower(s). No reduction in the PMII amount shall be allowed in this situation.
- ii. For Credila Education Loans (paying full interest during moratorium period): Option to choose between reduction in MI amount or Tenor or a combination will be made available to the Borrower(s).
- iii. For Loans paying EMI on the date of change: Option to choose between reduction in MI amount or tenure or both will be made available to the Borrower(s).

Note:- In no scenario will the tenure of the loan increase in case of reduction in CBLR

2. When CBLR is increased,

- i. For Partial Interest Loans: Option to choose between increase in PMII amount or MI amount or tenure or a combination will be made available to the Borrower(s).
- ii. For Credila Education Loans (paying full interest during moratorium period): Option to choose between increase in the PMII amount, increase in MI amount or tenure, or a combination will be made available to the Borrower(s).
- iii. For Loans paying MI on the date of change: Option to choose between increase in MI amount or tenure, or both will be made available to the Borrower(s).

Note: In case of increase in CBLR, the option to keep the PMII/MI constant will be subject to the loan not resulting in negative amortization. In such cases, the PMII/MI amount will need to be increased.

3. At the time of change in the CBLR, the below mentioned options will be made available to the Borrower(s) (whose loans are linked to CBLR) :

- i. Option to switch to fixed rate, if available.
- ii. Option to switch to floating rate, if available.
- iii. Option to change PMII / MI (as applicable).
- iv. Option to change tenor.
- v. Option to change a combination of PMII / MI / tenure.
- vi. Option to prepay the loan in part or full.

The option as mentioned in Clause 4 will be made available to Borrower(s) for a period of 21 days from the date of effect of change in CBLR. Credila shall not consider any request beyond a period of 21 days. Borrower(s) shall place any such request with the Company's Customer Service team via support@credila.com.

5. Availability of the Education Loan Facility is subject to satisfactory completion of loan documentation. The Sanction Letter shall stand unilaterally revoked and shall become absolutely null and void even after acceptance by Borrowers, if:

- i. There are any material changes in the proposal for which the said loan is sanctioned. Final disbursement will be made based on favourable validation and authentication of all provided documents.
- ii. Any material fact concerning your income, ability to pay, or any other relevant aspect of your education loan application is withheld, suppressed, concealed or not made known to Credila.

- iii. Any statement made in the application is found to be incorrect or untrue.
- iv. The Education Loan Agreement and other documents, as required by us, are not executed during the validity of this sanction letter, or during any further extension of the period mutually agreed upon.
- v. Any information or documentation as may be required by Credila from time to time is not furnished in the form prescribed/approved by Credila.
- vi. As an outcome of legal due diligence, Credila is of the view that it is unviable to proceed further with the offer made hereinabove.
- vii. No disbursement of any amount shall be done by Credila in a Non-Resident External Account (NRE Account)
Note: In the above-mentioned scenarios, Credila shall not be responsible/liable for any costs, losses, damages or expenses or any consequences in any manner whatsoever for such revocation/rejection/cancellation.
- viii. Disbursement of each tranche will be based on favourable verification and financial checks of the Borrower.
- ix. Insurance (if applicable) to be availed of by the Borrower and duly assigned in favour of Credila.
- x. The Borrower(s) hereby confirm(s) and agree(s) that the rate of interest applicable to customers is based on Credila's Benchmark Lending Rate (CBLR) which in turn is dependent on factors such as cost of funds, margin, etc. plus a spread which is determined on the risk profile of the case. This may vary on account of several factors such as the student's academic background, employability of the selected course from a selected college and country of study, financial strength of the co borrower(s), loan repayment capability, credit history, whether or not the loan is secured by collateral, serviceability of the loan through Credila's branch network, cost/s associated with underwriting and servicing the loan, etc. CBLR is subject to change as a consequence of prevailing money market conditions and thus has a direct impact on the repayment which can impact your PMII, EMI and/or tenor or both, which is more specifically described in the education loan agreement, you will have an option to modify your PMII, EMI and/or tenor or both, when CBLR is revised. In such situations, Credila shall have the right to review the repayment schedule in such a manner and to such extent as it may deem appropriate. You shall, however, continue to pay the monthly instalment/pre-monthly instalment interest (MI/PMII) as indicated in the education loan agreement.

6. Post Disbursement Formalities: Borrower(s) shall exclusively be responsible to comply with all post disbursement documentation formalities (if any) as communicated to the Borrowers. The same shall be provided at the earliest to Credila.

7. Grievance Redressal Mechanism:

The Company has laid down an appropriate Grievance Redressal Mechanism to ensure that all disputes arising out of the decisions of the Company's functionaries are heard and addressed. The Board of Directors shall also periodically review the compliance of the Code and the functioning of the grievance redressal mechanism at various levels of management. A consolidated report of such reviews shall be submitted to the Board at periodic intervals:

- Level 1 – Any customer who is not satisfied with the services rendered by the Company at any time during the life cycle of the education loan, may lodge a complaint by sending an email to support@credila.com mentioning details pertaining to the issue. After examining the matter, Credila will revert, trying to redress the complainant's concerns. If the complainant is not satisfied with the response, they can then approach the Grievance Redressal Officer for redressal of the grievance(s), in connection with any matter pertaining to business practices, lending decisions, credit management, insurance, outsourced agency and recovery
- Level – 2 The Grievance Redressal Officer would then, in consultation with senior management officials, oversee the Grievance Redressal Mechanism and look to redress the complainant's grievance/concern.

The name and contact details of the Grievance Redressal Officer (also displayed on our website) are provided hereunder:

Ms. Vaijayanti Albal Sharma

Grievance Redressal Officer

Credila Financial Services Limited

(Formerly HDFC Credila Financial Services Limited)

2nd Floor, AllCargo House, Kalina, CST Road, Santacruz (E), Mumbai – 400098 Email:

grievance@credila.com | Phone: +91 22 50164642

- Level – 3 If the complaint is not redressed by the Grievance Redressal Officer within a period of one month, the complainant may file a complaint via:

Website: <https://cms.rbi.org.in>

Email: crpc@rbi.org.in

Contact Centre (toll-free number): 14448 (9:30AM to 5:15PM)

Alternately, complaints may be sent physical mode to:

“Centralised Receipts and Processing Centre”

Reserve Bank of India, 4th Floor,

Sector 17, Chandigarh – 166 017

**Escalation may only be done after Level 1 (Customer Service) & Level 2 (Grievance Redressal Officer) are unable to address the issue.*

8. Brief Procedure to be followed for recovery of overdue in case of default in repayment of PMII/MI:

- Borrower(s) are explained the repayment process of the Outstanding Education Loan in respect of tenure, periodicity, amount and mode of repayment of the Education Loan Facility. On non-payment of PMII/MI on the relevant due dates, Credila shall remind the Borrower(s) by making telephone calls, sending written intimations by post and electronic medium or by personal visits undertaken by Credila's authorized personnel at the addresses provided by the Borrower(s). *Costs of such calls/communication/personal visits shall be recovered from the Borrower(s).* Notwithstanding what is stated herein, it shall be the liability of the Borrower/s to ensure that the PMII/MI are regularly paid on the relevant due dates.
- On default in repayment of PMII/MI, a loan is tagged as a Special Mention Account (**SMA**). It is further classified as per the following categories for term loans:

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

Non-Performing Asset (NPA): If any PMII / MI remains overdue for more than 90 (ninety) days from the due date, the loan account would be classified as a NPA as per the extant prudential norms of the Reserve Bank of India.

The classification of SMA/NPA will be done daily.

Example: The PMII / MI for a loan account is due on December 11, 2021. If full dues (PMII / MI amount) are not received before the Company runs the day-end process for this date, the date of overdue (SMA-0) shall be December 11, 2021. If it continues to remain overdue, then this account shall get tagged as SMA-1 upon running day-end process on January 10, 2022 i.e. upon completion of 30 days of being continuously overdue. Accordingly, the date of SMA-1 classification for that account shall be January 10, 2022. Similarly, if the account continues to remain overdue, it shall get tagged as SMA-2 upon running day-end process on February 9, 2022 and if continues to remain overdue further, it shall get classified as NPA upon running day-end process on March 11, 2022.

Post NPA classification, the account will be upgraded to 'Standard' only if the entire arrears of interest and principal are paid by the borrower. For example, when a loan account is classified as an NPA on December 11, 2021 and has four instalments overdue, said loan will not be upgraded to 'Standard' even if the borrower repays three instalments on December 12, 2021 and the loan account will be upgraded to 'Standard' only when the remaining overdue instalment is also repaid and there is no overdue in the account.

- iii. Credit information relating to any Borrower(s) account is provided to TransUnion CIBIL Limited ("CIBIL") or any other licenced bureau on fortnightly basis. To avoid any adverse impact on the credit history with CIBIL or any other credit information bureau designated by the RBI, it is advised that the Borrower(s) should ensure timely payment of the amount due in relation to the Outstanding Education Loan Facility amount.
- iv. The recovery process of enforcement of mortgage/securities, including but not limited to, taking possession and sale of the mortgaged property in accordance with the procedure prescribed under the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 ("**SARFAESI Act**") or under any other law, is followed purely as per the directions laid down under the respective law. Intimation/Reminders/Notice(s) are provided to Borrower(s) prior to initiating steps for recovery of overdues under Negotiable Instruments Act, Payment and Settlement Act, Civil Suit, SARFAESI Act or any other Applicable Law.
- v. **Arbitration:** Notwithstanding anything to the contrary contained herein, any dispute, controversy and/or claim arising out of and/or relating to this Agreement, including its construction, interpretation, meaning, scope, operation, effect and/or validity thereof ("Dispute"), shall be resolved by arbitration including the digital medium, administered by an independent institution in accordance with its Dispute Resolution Rules ("Rules"). The party invoking arbitration ("Claimant") shall address a notice to the other party ("Respondent") suggesting the name of one of the following independent institutions ("Designated Institution");
 - 1. AASU Mediation Solutions Chambers
 - 2. Such other independent institutions as may be decided by Credila from time to time.

The Respondent shall either: (i) confirm in writing acceptance of the Designated Institution to the Claimant within a period of seven (7) days from the date of notice ("Notice Period"); or (ii) convey objection, if any, in writing to the Claimant, against the proposed name of the Designated Institution within the said Notice Period and propose the name of an alternate independent institution ("Alternate Institution") from the aforementioned institutions. However, if the Claimant does not receive any response from the Respondent within the said Notice Period or does not receive the details of the Alternate Institution, the Claimant shall be entitled to request the Designated Institution to nominate the sole arbitrator as per the Rules and such arbitrator shall be deemed to be appointed with the consent of the parties. In the event, the Respondent conveys objection as per (ii) above and proposes the Alternate Institution from the aforementioned institutions, the Alternate Institution shall nominate the sole arbitrator as per the Rules and such arbitrator shall be deemed to be appointed with the consent of the parties.

The juridical seat of arbitration shall be Mumbai. The language of arbitration shall be English. The arbitration proceedings shall be governed by the Arbitration and Conciliation Act, 1996 as amended from time to time. The decision of the arbitrator shall be final and binding on the parties. Subject to the above, the competent courts at the seat shall have exclusive jurisdiction. All fees, charges, and expenses associated with the arbitration shall be borne by the Borrower or as may be directed by the arbitral tribunal.

- vi. **Jurisdiction:**
 - a) Without prejudice to the above, the courts and tribunals of Mumbai or Kolkata shall have exclusive jurisdiction to settle any disputes, actions, claims arising out of or in connection with this Agreement (including a dispute regarding the existence, validity or termination of this Agreement) ("Dispute").
 - b) The Borrowers agree that the courts and tribunals of Mumbai or Kolkata are appropriate and convenient courts and tribunals to settle Disputes and accordingly the Borrowers shall not argue to the contrary. The Borrowers (i) irrevocably waive (A) any objection now or in future, to the laying of the venue of any proceedings in the courts and tribunals in Mumbai or Kolkata, and (B) any claim that any such

proceedings have been brought in an inconvenient forum, and (ii) irrevocably agrees that a judgment in any proceedings brought in the courts and tribunals in Mumbai or Kolkata shall be conclusive and binding upon it and may be enforced in the courts and tribunals of any other jurisdiction (subject to the laws of such jurisdiction) by a suit upon such judgment, a certified copy of which shall be conclusive evidence of such judgment, or in any other manner provided by law.

- c) This Clause 16 (Jurisdiction) is for the benefit of the Credila only. As a result, Credila shall not be prevented from taking proceedings relating to a Dispute in any other courts and tribunals with jurisdiction at its discretion and convenience including jurisdictions where the Borrowers are then residing and/or employed and/or at the place of occurrence of Event of Default and/or any at place where cause of action arose between the Parties out of this Agreement. To the extent allowed by Applicable Law, Credila may take concurrent proceedings in any number of jurisdictions.
- d) For the avoidance of doubt, Credila shall be entitled to enforce its rights under this Agreement including, its rights in relation to the Outstanding Education Loan and the Collateral Security and to seek any and all remedies under the Applicable Law prevailing in India from time to time including, without limitation, the remedies under the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 or Recovery of Debts and Bankruptcy Act, 1993.
- e) The Borrowers irrevocably agree that, should Credila take any proceedings anywhere (whether for an injunction, specific performance, damages or otherwise in connection with any this Agreement), no immunity (to the extent that it may at any time exist, whether on the grounds of sovereignty or otherwise) from those proceedings, from attachment (whether in aid of execution, before judgment or otherwise) of its assets or from execution of judgment shall be claimed by it or with respect to its assets, any such immunity being irrevocably waived. The Borrowers irrevocably agree that they and their assets are, and shall be, subject to such proceedings, attachment or execution in respect of its obligations under this Agreement

9. Credila shall have the right, at its sole discretion, at any time and from time to time, to vary, revise or modify the education loan agreement, together with all annexures, schedules, letters, applications, deeds and other allied documents including MITC, key fact statement or instruments, or any other communication in writing, if any, whether attached herewith or to be attached in future, from time to time, forming part of this education loan agreement.

All capitalized terms used herein and not defined, will have the same meaning as set out in the Education Loan Agreement. We the undersigned hereby agree to have received, read and understood the terms and conditions as mentioned above and shall refer to and rely upon the loan and other security documents executed/to be executed by us.

Signature:

Borrower

Coborrower-1

Coborrower-2

Coborrower-3

Coborrower-4

Coborrower-5

Credila Authorised Signatory