

## GENERAL TERMS AND CONDITIONS FOR PERSONAL LOANS

### About Loan Application

- Price of the application form for Personal Loan scheme will be ₹50/- + VAT as applicable.

### To whom

- Loans will be granted under the scheme only to employees of State Government / Central Government/ Quasi Government / Public Sector Undertakings / Local Bodies / Autonomous Bodies / Public Sector Banks etc on the basis of minimum one surety other than self.
- The loan will be granted on the basis of the **salary certificate and undertaking for recovery from pay including from DCRG of the loanee and one/two sureties** having the required repayment capacity, issued by their employers.
- Maximum amount that will be granted as loan under the scheme is limited to **10 times of net salary of the loanee OR Rs.3 lakhs, whichever is less.**
- The loanee as well as the surety shall have a **minimum net salary of 3 times of the EMI of the loan applied for.** (In case of two Sureties, the cumulative net salaries of both the sureties will be taken into account for the compliance of this condition).
- If Company feels it necessary to demand more than one surety for ensuring the repayment, the Company can insist for two sureties even if the net salary of first surety is more than 3 times of the EMI.
- In the case of loanees where undertaking for recovery from salary is not produced from the employer (especially in the case of **Central Government employees**), loans will be granted on the strength of at least two sureties, having sufficient repayment capacity, who produces undertaking for recovery from pay and DCRG from their employers, complying the above stipulations.
- The loanee and the surety/ sureties shall have a **minimum of six months of future service** beyond the repayment period.

### About repayment

- **The minimum repayment period will be 24 months and the maximum repayment period will be 48 months with the option for premature closure without any penalty.** The advance bulk repayment option with interest waiver benefits for corresponding EMIs in the loan schemes is allowed in the same manner as is seen being followed in the earlier sanctioned vehicle and personal loans, as and when the loanees make advance remittances of amounts equivalent to two or more EMIs, atleast one month in advance. In such cases, subsequent EMIs are to be remitted from the next month of bulk repayment onwards on due dates as per the repayment schedule without any rescheduling of repayment to a lower EMI or any moratorium period for resuming the payment of subsequent EMIs, so that the effect of such bulk payment will be the reduction of repayment period.
- **The Interest Rate for the personal loan scheme is fixed and diminishing** as shown below:

Up to ₹ 1 Lakh : 15.75%

₹1,00,001/- to ₹3 lakhs : 16%

The Borrower shall pay interest on the loan amount and pay the same along with the loan amount by way of instalments (EMIs).

- If the instalment / interest is not repaid within due date as per terms & conditions and repayment schedule, Company shall have the right to charge and recover additional interest @ 2% over and above the stipulated rate or such revised rates of interest, if any, on the overdue amount and overdue period from the loanee.
- In case the loanee commits default in the repayment on due dates of instalments of principal and / or interest for such period as may be decided by the Company from time to time, the Company shall have the right, in its absolute discretion, to recall the loan and thereupon the whole amount of the loan outstanding as on that date (comprising principal and interest outstanding, penal charges and other charges as applicable) shall become forthwith due and

*Signature of the Applicant*

payable to the Company.

- The loanee shall submit **post dated EMI cheques** for the prompt repayment of the instalments. In addition, loanees can also **avail ECS option** from their salary accounts.
- The Company shall also **charge a penalty**, the rate of which shall be at the discretion of the Company, **for every bounced cheque** for any reason whatsoever in addition to the enhanced rate of interest as applicable.
- The **repayment date shall be 5<sup>th</sup> or 12<sup>th</sup> of every month**, which will be at the option of the loanee.
- The loanee shall repay the amount of loans as per the terms and conditions till the entire loan amount with interest is fully repaid, in accordance with the repayment schedules that will be issued by the Company. The EMI consists of Principal and interest component. **Interest on the amount of the loan is at fixed interest rate**. The Company shall at any time and from time to time be entitled to change the rate of interest of the Scheme prospectively for fresh loans. Similarly, Company shall also at any time and from time to time be entitled to change the rate of interest of the existing loans prospectively in case of **major volatility in interest rates** and such revised rate of interest shall always be construed as agreed to be paid by the loanee, unless the loanee preclose the loan with the existing interest rate within 30 days of the date of intimation of change of interest rate. Borrower(s) shall be deemed to have notice of change in the rate of interest whenever the changes in KTDFC interest rate are displayed/ notified on the website of the Company/made through entry of interest charged in the loan account/intimation sent to the loanee, etc. Company shall also reserve its right to amend, alter or modify the terms and conditions or cancel/withdraw/recall all or any of the amount sanctioned/disbursed at any time at its sole discretion for any reason whatsoever.
- Without prejudice to the Company's other rights and remedies, the Company shall be entitled to charge at its own discretion enhanced rates of interest on the outstanding in the loan account (s) or a portion thereof for any default or irregularity on the part of the loanee which in the opinion of the Company warrants charging of such enhanced rates of interest for such period as the Company may deem fit.
- Loanee shall also **pay all and any dues/ incidental expenses,charges,etc. arisen or caused by reasons of failure to perform any of the terms and conditions of the loan** to the Company as and when demanded by the Company.
- The Company shall have the right to invoke **Revenue Recovery proceedings as per the provisions of the Kerala Revenue Recovery Act,1968** against loanee and/or the Guarantors, as the case may be, for realization of all sums due to the Company on account of the loan, in case loanee makes any default in repayment or breach of the terms and conditions or for any reason whatsoever, in addition to the other reliefs of the Company in terms of the appropriate laws, special statutes, rules, etc. as are applicable or made applicable from time to time.
- Loanees who make **prompt repayment under the loan schemes will be given back an interest rebate @0.25% at the time of closure of the loan**. 'Prompt repayment' means the repayment of the entire EMIs on or before the due dates.

#### **About documentation**

- **Processing fee and documentation charge combined shall be Rs.500/- OR 1% of the loan amount, whichever is higher + Service Tax** at applicable rate.
- Loanee and Surety/Sureties shall **produce such number of stamp papers** having such value as may be prescribed by the Company for the **execution of agreements**.

#### **About Insurance**

- There shall be **personal accident insurance coverage for the loanee** in relation with the loan. Such insurance policies will be taken from Public Sector Insurance Companies. Premiums for such policies will be deducted from the sanctioned loan amount OR will be collected from the loanee at the time of agreement execution.

*Signature of the Applicant*