

## Terms and Conditions for Indus Kisan

**Indus Kisan** is a Direct Agri funding product of IndusInd Bank. This would cater to the short-term and long-term credit needs of farmers through single window system for undertaking agri and agri allied activities. The loans would be extended on basis of agri land holding and investment needs.

### 1. Definitions & Applicability of terms

Application form for loan facilities (Application) – refers to the request form for availing agricultural loan facility in IndusInd Bank.

Customer – refers to any person/entity holding an account with IndusInd Bank

Services – refers to services provided by the IndusInd Bank to the customers of IndusInd agricultural loan account

Website – refers to the IndusInd bank official Bank website in the internet – [www.indusind.com](http://www.indusind.com)

Government of India (GOI) – refers to the Government of India

State Government – refers to the Government of the State where the customer is carrying out Agriculture Activities

Reserve Bank of India (RBI) – refers to the overall regulatory body for Banking in India, named as, Reserve Bank of India

KYC – refers to the bank policy document on 'Know Your Customer'

IBL – refers to IndusInd Bank Ltd.

Words denoting a particular gender include the other gender as well.

These terms and conditions form the contract between the customer and the bank and are subject to change from time to time as per the laws of the statutory/ regulatory bodies under the jurisdiction of Republic of India and the Bank's internal policy review. These below mentioned are applicable to all the products and services of Agricultural loan accounts under Indus Kisan only.

### 2. Eligibility criteria

Loan request under Indus Kisan product can be made by only Resident Indians in his/her own name and the main eligibility criteria are:

- The main applicant must be engaged in agri or agri allied activity and must be major (in age group of 18-70)
- Owner Cultivators, Tenant Farmers, Oral Lessees and allottee farmers (with recorded occupancy rights for period not less than 5 years).
- In case the main applicant is more than 70 years of age, then all of the following conditions to be fulfilled.
  - a. Co-borrower is mandatory.
  - b. At least one of the major legal heirs to be a co-borrower for the facility and whose age is less than 70 years. In case there is no legal heir then the co-borrower should be a family member/close relative of the Borrower and should be a major.
- The borrower(s) or guarantor should not have been reported as 'Defaulter' by any Financial Institution or as per the RBI Defaulter List

Customer will need to fill the Application form for loan facilities (Application), provide all supporting documents (as required under the bank's KYC policy), PAN card copy/Form 61 and sign on the application form (In case of multiple applicants, all the applicants will need to sign the application form).

Customer will also need to submit the land holding details being cultivated by the applicant or co-applicants along with the proof of activity undertaken. For investment needs, the project report/declaration for undertaking long term investment agri or/and agri allied activity also needs to be submitted.

The mere acceptance of application form does not amount to granting of loan facility (ies) by the bank. The bank reserves the right sanction or not to sanction the facility, at its discretion based on its guidelines and policies.

Loan shall be governed on the terms and conditions stipulated in the sanction letter as well as on the terms and conditions specified in facility documents and security documents.

Loan can be extended to an "illiterate" person but such account is not provided with a cheque facility.

Customers should note that the welcome kits are only sent to customer's correspondence address that has been duly verified as part of KYC norms and registered with the Bank. Despatches are made either through authorised courier or through registered post. If customer does not receive the welcome kit/deliverable within specified duration, the same needs to be reported at the branch so that a re-despatch is initiated. The bank may block the account incase the deliverables /welcome kit is returned.

### **3. Safe-keep of Kisan Card, passwords and cheque books**

Customers should note that Kisan Card, if availed and its credentials, internet banking credentials, phone banking credentials, cheque books and other facilities are tools to perform financial transactions to the account held with IndusInd Bank.

Customers should be solely responsible for the safe-keeping and the confidentiality of those mentioned above and all other credentials to services provided in future. Customers should not disclose these credentials to anyone under any circumstances.

The Bank shall not be responsible for any fraudulent/unauthorised transactions occurring on account of misuse of any of these deliverables provided to them.

The deliverables are dispatched to customers either along with welcome kit or through independent mailers subsequent to dispatch of welcome kit. Customers should note that the deliverables are only sent to customer's correspondence address that has been duly verified as part of KYC norms and registered with the Bank.

IndusInd Bank in its thirst to provide utmost security discourages to customers to claim password through physical mails. Due to this, customers are provided option to generate online/through ATM after providing certain personal details. However, if customer requires physical mailers to be sent, bank shall not be responsible for any fraud/misuse arising thereafter. On receipt of Kisan Card, customer should sign the same for easy identification of customer at POS outlet. Initial passwords should be changed immediately. Customer should ensure that the cheque books are complete and there are no missing cheque leaves in middle.

### **4. Interest, Charges and fees**

Charges in connection with the operation of the Account and the Services would be levied at the rates as prescribed on the Website from time to time. Charges will be debited to the account at defined frequencies as per sanction terms and conditions.

The bank has right to set-off the service charges, charges for non-payment of dues on time or any wrong credit or late returns reported by the correspondent bank/counter party by debiting the Account, without requirement for providing further notice or seeking additional consent/authorisation.

So long as any moneys are outstanding in the said account, the Borrower/s will pay to the Bank interest as follows:

Interest will be calculated on the daily debit balances in the loan accounts from time to time at the rate, mentioned in the Sanction Letter accepted by you, as per the frequency provided and such interest to be paid by the Borrower/s on due date.

In the eventuality of default of payment of interest as stated above the same shall be capitalised and added to the principal and shall be treated as an advance to the Borrower/s and the Bank will be entitled to charge interest at the aforesaid rate on the amount of the debit balance inclusive of interest not paid by the Borrower/s and hence capitalised as aforesaid, in addition to charging penal interest at such rates as the bank may deem fit in its sole discretion, for the period for which the account remain irregular/overdue at any time during the maintenance of the account.

Customers should note that the interest, fees and charges are subject to revision from time to time as per bank's policies and also based on various regulating and governing guidelines.

## **5. Grouping of accounts**

As per bank's internal policies, IndusInd bank makes best efforts to identify an individual / entity through a single identification number. Customers should note that all the accounts of a customer within the bank will be linked. In case of charge recovery, if the primary account does not have sufficient balance, associated charges would be recovered from the other linked accounts of the customer.

Customers will have liberty to close any of the accounts after ensuring that there are no dues/charges payable to bank for that account. Each of the account will be governed by their own requirements regarding payment of dues, interest, fees, charges, etc.

## **6. Passbook & statement of accounts**

The bank has provision for both email & physical statements for accounts. Physical statements are sent to customer's mailing address as per bank record while email statements are sent to the customer's registered email id. The bank also provides the option for availing passbook benefit. The bank does not charge its account holders for the passbook facility/ statement of accounts sent on certain frequency as decided by the bank.

It is the responsibility of customer to get the passbook updated on a frequent basis by visiting IndusInd bank branch. Bank would not be responsible if passbook issued to customer is not updated.

For email statements, customers are liable to verify the authenticity of any emails received and the bank will not be liable for any issues/loss arising out of any fraudulent emails received by the customer. Email statements are sent to registered email only, as specified by the customer from time to time.

Customer should intimate the bank in case statement (email/physical) is not received on time. The bank, might issue a duplicate statement free of any charge.

Customers should revert within 14 days of mailing of the statement or posting of entries in passbook for any discrepancy/error. Bank will not be liable for any loss to the customers due to errors/discrepancies pointed out/ communicated to the bank by the customer after expiry of 14 days. The bank though retains the right to rectify any error/discrepancy in the statement/passbook on its own at any point of time.

Customer can request for issuance of duplicate statement for last statement generated or statements of any earlier month. Charges for issuance of duplicate statements will be as per the schedule of charges.

Customer will need to intimate the bank immediately on change of address and ensure that the address in passbook is altered after providing documents, as necessary, under the bank's KYC guidelines.

IndusInd also provides 'Check on Cheque facility' for its Retail Banking customers. In this facility the images of all inward clearing cheques presented by customer will be reflected in their statement. This facility does not include cheques issued towards DD, PO, RTGS, NEFT transactions or loose leaves issued for cash withdrawal. All cheques provided by customers will be scanned on best effort basis by the Bank. Customer shall not hold the bank responsible if images of any of the cheques issued by him/her are not reflecting in the statement.

## **7. Choice money – ATM**

IndusInd Bank in its continuous endeavour to innovate customer service mechanisms offers options for customers to choose from various currency denominations while withdrawing cash from its ATM machines through Kisan Card. This allows customer to select from few existing choices of denominations of 100, 500 and 1000 or combination of these currencies.

Customers should appreciate that this is an additional facility and depends significantly on availability of cash and denominations at that instance of time. Bank should not be held responsible for unavailability of customer choice denominations.

## **8. Operating accounts**

Account operating rules depend on the operating mandate as defined in the account (this will be defined based on customer's instruction on operating mandate in the application or any changes authorised by the customer subsequent to the opening of the account).

Accounts in the name of an individual can be operated only by the individual himself. Joint accounts can be operated singly by any one or jointly by two or more or all of the applicants together depending on the operating instructions given by all the applicants. Any change in the operating instruction through will require the authorisation of all the borrowers irrespective of the operating instruction.

Bank as per its KYC requirement, may ask customer to furnish some additional documents or may request for reverification of KYC. Customers will need to comply with such requests from the bank and the bank will not be liable for any material / non material inconvenience that may be caused to the customer due to the customer non-compliance to such requests.

The bank may time to time send deliverables (e.g. passbook, cheque book, Kisan Card), statement of accounts, important notifications, and other relevant items at the customer's mailing address as maintained in the bank's records. Hence customer will need to promptly notify the bank of any change of mailing address. Bank will not be liable for any loss/damage/inconvenience that may be caused to the customer due to loss/damage/failure/wrong delivery of such items to the non-intimation of change in mailing address by the customer.

The borrower should route the sale proceeds of their agricultural produce through their Cash Credit account/overdraft account. Also the borrower will need to ensure complete churning of their cash credit/overdraft account including interest and other charges as per the frequency decided by the bank on time to time.

Customer should keep sufficient balance in the Savings Bank account if standing instruction has been given to service the dues arising from any loan account so that timely repayment can be ensured. Cases where borrower is not maintaining any savings bank account with us, need to ensure servicing of dues through cash, transfer, cheque etc. on due date without fail. Borrower will be liable to pay penal interest or other charges for non-payment of dues on time as well as bank may charge

customer with additional charges as per its policy for dishonouring of payment made through cheque, Standing Instruction or ECS.

In case of term loan, interest as well as principal instalment has to be repaid on due date as per the sanction terms and conditions accepted by the customer. On non-payment of the dues in any of the loan facility on due date, bank will be forced to charge penal interest as per its policy and may initiate legal action to recover the dues for which additional cost incurred by the bank would be recovered from the customer along with pending dues.

Withdrawal from the account should not be diverted to any unrelated activities and to be limited to the end use mentioned on the sanction letter accepted by the borrower for each facility.

Facilities would be reviewed by the bank on regular intervals as per its policy and may request for additional information/documents from the borrower. Borrower has to comply with such instructions and bank will not be liable for any material / non material inconvenience that may be caused to the customer due to the customer non-compliance to such requests.

Bank at any point of time may carry field inspection to verify the end use of funds and may request for providing proof of expenses incurred for carrying out the activity and borrower has to comply with the same. Customer must appreciate that the bank has extended the facilities to the customer for meeting the financial requirement to carry out the agricultural and allied activities and its right of the bank to meet the customer/verify the progress of activity to ensure compliance. Bank will also guide the customer in case irregularities in end use of funds are observed and borrower is requested to ensure meticulous compliance to same for maintaining healthy relationship with the bank.

Borrowers are advised to inform the bank in advance for withdrawal/deposit of large amount (greater than 10 lakhs INR) to facilitate better service.

The Government of India has made mandatory to provide PAN details (For 60/61 in cases where customer does not have a valid PAN) for any cash deposit transaction of Rs. 50,000/- and above.

## **9. Cheque books**

The bank provides multi-city personalised cheque book to all Indus Kisan holders (cheque book facility is not given to illiterate borrowers, non-operative accounts (Term Loans) or accounts where no cheque book facility requested by customer). The customer is entitled to certain number of free cheque book depending upon account type.

Customer can request the bank for fresh cheque book once the existing cheque books are exhausted. Customers are entitled to a limited number of free cheque books as per the type of account and issuance of cheque books beyond the free limit may attract charges.

All cheque (from customer account) presented to the bank must have:

- The instrument is signed as per the operating instruction for the account
- The signature on the cheque is as per the signature in the bank record for the particular account
- All the fields (Payee, amount in figures, amount in words, date) are all filled
- The cheque is not stale (date is not more than six months from the date of presentment)
- Any alteration is counter signed by the drawer signature (as per revised RBI guidelines, no alteration is allowed in cheques processed under the cheque truncation system). Bank may also dishonour cheques if alterations are found to be suspicious in nature.
- The account has sufficient fund to honour the cheque – customer should ensure that the account is funded sufficiently so that the cheque is not dishonoured due to lack of funds. Any cheque dishonoured due to insufficient fund may attract penal charges from the bank.

- Customers should note that all requirements specified, for processing cheques through cheque truncation mechanism, would be applicable and customer should abide to those restrictions. RBI is in the processing of implementing cheque truncation system in different locations in phased manner.

Bank may also levy charges to the customer if cheque presented by later is returned due to insufficient funds. The bank reserves the right to block the customer account if there are excessive incidents of cheque returns.

Customers can place 'stop payment' request with the bank for any cheques that are missing/stolen/not required to be paid. Customers need to ensure that such stop payment request is made prior to presentment of the cheque to the bank. Bank will not be liable for any payment against cheques for which the stop payment request is received by the bank post the presentment of the cheque to the bank. Bank may charge the customer for any such stop payment request (pls. refer to Schedule of Charges).

## **10. Demand drafts and pay orders**

Customers can place request for issuance of demand drafts/pay orders by visiting any of the IBL branches. Any charges associated (refer to schedule of charges) with issuance of Demand Drafts or Pay Orders will be recovered from the Customer by debiting customer's account.

For more details, please contact IndusInd branch.

## **11. Mobile Alerts**

All customers having their mobile number registered with the bank are entitled for receiving mobile alerts for various types of banking transactions performed. These alerts typically are provided for cash withdrawal, cash deposit, funds transfer, funds credit, balance alerts, etc. While bank sends (push) alerts to customers on a frequent basis (for based on event of financial transaction), customers can also request (pull) for specific information.

Bank sends these alerts on best effort basis to ensure that customer is informed immediately after the event however, bank is dependent on various third party service providers to complete the complete information transmission. In this regard, bank will not be liable for any information reaching customer after delay/non receipt of information.

Charges for these mobile alerts would be as per the product features, relationship of customer with the bank and are indicated in the schedule of charges. Charges are subject to change from time to time.

## **12. Closure of account**

Loan account can be closed only after submitting the written request to the IndusInd bank branch from where loan facility was availed along with all associated deliverables viz; unused cheque leaves and Kisan Card.

Bank would issue No dues certificate on closure of facility, if all the dues payable to the bank has been cleared. Bank would not be liable for return of cheques/dishonouring of any instruments consequent to such closure and all costs / charges arising out of such closure of the account(s).

## **13. Change of terms**

Terms and conditions are liable to change due to change in any rules/regulations from RBI/GOI, any addition or deletion of facility/product by the bank or any other reason which the bank may deem fit for

amending the existing terms and conditions as mentioned in the sanction letter accepted by the borrower.

The bank may change the terms and conditions from time to time at its own absolute discretion. Charges can be but may not be limited to addition of new terms and conditions, deletion of existing terms and conditions, modification to an existing terms and conditions. The bank may communicate the charges either by hosting on its website, or through any other available mode of communication. The customer shall be responsible to keep himself updated on the terms and conditions by checking the banks websites regularly.

#### **14. Non transferability**

The account and the services provided by the bank to its customers are non-transferable under any circumstances and shall be used by the customer only. The bank though reserves the right to transfer, assign, or sale its rights; benefits or obligations to any other person and terms & conditions will continue to hold for the benefit of the successors and assigns of the bank.

#### **15. Notices**

Notices in respect of the account, the services and facilities in connection with the account may be given by IBL either through email at customers' registered e-mail address or posting a letter to the customers' registered mailing address. IBL may also give any notice by posting the notice on the Website or by displaying at the branches and the same will be deemed to have been received by the customer.

#### **16. Sharing of Information/Disclosure**

The customer by opening and maintaining any account with the bank gives the bank the right to share /disclose customer account/personal information as available with the bank with any entity which has the right to access such information which may include but may not be limited to:

1. Reserve Bank of India (RBI)
2. Government of India through its authorised representative/body
3. Courts/investigating agencies
4. Securities Exchange Board of India (SEBI)
5. Authorised representatives of the stock exchanges
6. Auditors, professional advisors
7. Third party service providers with whom the bank has executed legal contract on 'services/products' and who will need to access the information
8. Any other legal entity/authorised individual who is entitled to such information
9. Credit Information Bureau's including but not limited to CIBIL

#### **17. General Terms and Conditions**

The Bank reserves an unconditional right to cancel the undrawn / unused/ un-availed portion of the Loan/facility sanctioned at any time during the currency of the Loan/facility, without any notice to the borrower, for any reason whatsoever.

Any excess drawing or irregularity on account of non-payment of interest/charges/instalment will attract penal interest at applicable rate mentioned in the sanction letter accepted by the borrower.

All legal, documentation charges, inspection charges, valuation charges and other incidental expenses will be borne by the borrower at the actual.

The Bank will have the right to examine at all times, the Borrowers books of accounts and to have the site inspected from time to time by officer(s) of the bank and / or qualified auditors and / or technical experts and / or management consultants of the Banks choice.

The Bank reserves the right to discontinue the facility (i.e.) and to withhold / stop any disbursement without giving any notice in case of non -compliance / breach of any terms and conditions stipulated herein and from time to time as also in the relevant documents or any information / particulars furnished to us is found to be incorrect or in case of any development or situations due to which in the opinion of the Bank, its interest will be / is likely to be prejudicially affected by such continuation or disbursement.

In the event of the borrower committing default in the repayment of credit facilities as & when due/payment of interest on due dates, the Bank shall have an unqualified right to disclose the names of the Borrower & its directors to the Reserve Bank of India (RBI).

By accepting these T&C, the borrower/guarantors give their consent to the Bank and/or to RBI to publish their names (borrowers and guarantors) as defaulters in such manner & through such medium as the Bank in their absolute discretion may think fit. The aforesaid right shall be available to the Bank in addition to & not in derogation of any other rights available under the Loan Agreement or General Conditions, as the case may be.

The borrower should not pay any consideration by way of commission, brokerage, fees or in any other form to guarantors directly or indirectly.

The loan shall be utilized for the purpose for which it is sanctioned and it should not be utilized for a) Subscription to or purchase of shares/debentures b) Extending loans to subsidiary Companies/associates or for making inter-corporate deposits. C) Any speculative purposes.

The Borrowers and guarantors shall be deemed to have given their express consent to the Bank to disclose the information and data furnished by them to the Bank and also those regarding the credit facility(s) enjoyed by the borrower, conduct of accounts and guarantee obligations undertaken by guarantor to the Credit Information Bureau (India) Ltd. (CIBIL), or RBI or any other agencies specified by RBI who are authorized to seek and publish information.

During the currency of the Banks credit facility(s), the borrower will not without the Banks prior permission in writing: a) Conclude any fresh borrowing arrangement either secured or unsecured with any other Bank or Financial Institutions, borrower or otherwise, not create any further charge over their fixed assets and collateral securities offered to our Bank without our prior approval in writing; b) Invest by way of share capital in or lend or advance to or place deposits with any other concern (normal trade credit or security deposit in the routine course of business or advances to employees can, however, be extended);

Addition to above point, the borrower will not without the Banks prior permission in writing: a) Formulate any scheme of amalgamation with any other borrower or reconstruction, acquire any borrower; b) Undertake guarantee obligations on behalf of any other borrower or any third party; c) Make any repayment of the loans and deposits and discharge other liabilities except those shown in the funds flow statement submitted from time to time; d) Make any change in their management set-up. e) Sale /Transfer / Mortgage of the property of the firm. f) Implement any scheme of expansion or acquire fixed assets of substantial value.

The Bank may assign or otherwise transfer facilities (or portion/s thereof) to any third party/parties and pursuant to which the Bank shall be entitled to assign the security created herein with all or any rights under the documents without prior written consent of the borrower.



The Bank will have the right to alter/amend any/all the terms and conditions of this sanction with or without any reference to the borrower.

For vernacular version of these terms and conditions, please visit our official website.

## **IndusInd Bank**

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