

MOST IMPORTANT TERMS & CONDITIONS

MOST IMPORTANT Terms and Conditions (MITC) applicable to Car Loans, Two Wheeler Loans

MEANING AND INTERPRETATION

“**SCHEDULE**” shall be and mean the SCHEDULE(s), to this Agreement;

“**Due Date**” means the date on which an Equated Monthly Installment/Periodic Installment (Installment) of the principal amount of the Loan and/or interest and/or any other amount payable under this Agreement and/or the Loan Balance, as the case may be, is due for payment under any **SCHEDULE-II** or Article of this Agreement;

“**Product**” means Vehicle(s) and/or any other accessories forming part of the product that may be purchased by the **BORROWER** using the Loan or any part thereof, and “**Product**” shall be construed accordingly. It is clarified that a Vehicle or other accessories shall be “**Product**” notwithstanding that the **BORROWER** has, in addition to using the Loan or a part thereof to purchase the vehicle or accessories, also used other funds to purchase the Vehicle or accessories.

“**Credit Information**” means all information, documents, representations, particulars of operations and business, financial information, representations on future business prospects and clarifications which has been or may hereafter be furnished by the **BORROWER**, the **Co-BORROWER** or the **GUARANTOR** to the **LENDER** from time to time.

“**Affiliate/s**” means, (a) with reference to an individual any relative of such individual or any partnership firm where such individual or relative of the individual is a partner, or any company where the individual or relative of the individual is a director in control of the company (b) with reference to a company a person that directly, or indirectly through one or more intermediaries, controls, is controlled by, or is under common control with, such company; (c) with reference to a partnership firm, any partner of such partnership firm or any company in which such partner is a director; (d) with reference to a HUF, all the members of such HUF; (e) with reference to a trust, all the trustees of such trust; (f) with reference to an Association of Persons, all the persons belonging to the Association of Persons.

“**Indebtedness of the BORROWER**” means any indebtedness of the **BORROWER** and/or the **Co-BORROWER** to the **LENDER** at any time for or in respect of monies borrowed, contracted or raised (whether or not for cash consideration) or liabilities contracted by whatever means (including under guarantees, indemnities, acceptance, bond, credits, deposits, hire purchase and leasing by the **BORROWER/Co-BORROWER** or by a person or entity related to or connected with the **BORROWER/Co-BORROWER**)

“**Customers’ Internal Rate of Return (CIRR)**” means the rate of interest applicable to the **BORROWER** loan amount sanctioned to the over the tenure of the finance facility and is more specifically described in the **SCHEDULE- III** to this agreement.

“**Down payment**” means the amount paid by the **BORROWER** to the **LENDER** or to the Dealer towards the **BORROWER**’s contribution towards the purchase price of the Product.

“**Vehicle(s)**” means the vehicle(s) described in the **SCHEDULE- II** and shall include any equipment in respect of the Vehicle(s), and all accretions, additions and replacements to the Vehicle(s) and /or the equipment, whenever made, including by way of body building and engine up-gradation etc. 4In this Agreement, unless the context otherwise requires:

- The pronouns “**he**”, “**she**”, “**it**” and their cognate variations are used inter changeably and should be interpreted in accordance with the context;
- Words denoting a person shall include an individual, corporation, company, partnership, trust or other entity;
- References to the word “**include**” or “**including**” shall be construed as “**including without limitation**”;
- Reference to any party to this Agreement or any other agreement or deed or other instrument shall include its successors and permitted assigns;
- The **SCHEDULE/s** to this Agreement shall form an integral part of this Agreement;
- **BORROWER** includes the **Co-BORROWER**

The **LENDER** agrees to lend to the **BORROWER** and the **BORROWER** agrees to borrow from the **LENDER** on the terms and conditions contained herein a sum as mentioned in the **SCHEDULE-I** (hereinafter called the “**Loan amount**”) for purchase of the **Product** and any accessories thereon as briefly mentioned in the **SCHEDULE-II** and/or any communication from the **BORROWER** to the **LENDER**. The said **Loan** along with the interest thereon shall be repaid in **Monthly or Periodical Installments/Installment's** as mentioned in the **SCHEDULE-II**.

1. The **BORROWER / Co-BORROWER / GUARANTOR** further agrees to place with the **LENDER** as Security Deposit, the sum as mentioned in the **SCHEDULE-III** on execution of this agreement. The **BORROWER** further agrees to place with the **LENDER** as advance installments, and the sum as mentioned in the **SCHEDULE-III** on execution of this Agreement and the same shall be adjusted towards amounts due against the last installment.
2. The **BORROWER** agrees that so long as the **Loan** shall continue, the **BORROWER** shall
 - a) Pay the **LENDER** the sums mentioned in the **SCHEDULE-II**. The **BORROWER** shall pay the installments as per the due dates mentioned in the **SCHEDULE-II** and/or any repayment **SCHEDULE** drawn pursuant to this Agreement.
 - b) Pay the **LENDER**, without prejudice to the rights of the **LENDER**, on demand made by the **LENDER**, Penal Charges at the rate as specified in the **SCHEDULE-III** on the amount that has remained outstanding beyond due date till the date the payment has been made by the **BORROWER** to the **LENDER**. The Penal Charges shall be calculated from the date the **Installment** was due till the date the payment has been made.

2.1 The **BORROWER** shall in addition to the payment set out above also pay and agree to observe the following:

- a) Down payment upon the execution of this Agreement. For the purpose of the Agreement, Down payment shall be as set out as per the **SCHEDULE-III**.
- b) Documentation and service charges as per the **Schedule- III** upon execution of this Agreement.
- c) **Electronic Clearing Mandate**
The **BORROWER** shall handover to the **LENDER** on the execution of this Agreement, **Electronic Clearing Service (ECS) / Standing Instructions (SI) / National Automated Clearing House (NACH)** (Collectively referred as “**Clearing Mandate**”) for the amount of the **Installment's** which shall be encashed by the **LENDER** on the due dates. It is further agreed by the **BORROWER** that if so directed and called upon by the **LENDER** he shall in lieu of the **Clearing Mandate**, mandate its bankers at its own cost, responsibility and consequences, to debit the **Installments** and/or any charges directly from his account maintained and without prejudice, the **BORROWER** shall be bound and liable to pay all sums to the **LENDER** on the due dates specified herein and time for payment of the same shall be essence of this Agreement. On the failure of the **BORROWER** to effect payment on the due dates specified herein the **LENDER** shall be entitled to the remedies as available under this Agreement.
- d) Without prejudice to the **BORROWER's** liability to pay the **Loan**, the **BORROWER / Co-**

BORROWER / GUARANTOR as the case may be, and if so required by KMPL shall, arrange with his bank for automatic transfer of the installments from his bank account to KMPL's bank account by way of the Electronic Clearing System or any other same or similar electronic clearing proses or standing instruction.

- e) Any dispute being raised about the computation of the Installments will not entitle the **BORROWER** to withhold payment of any Installments or any portion thereof. It is agreed and understood by the **BORROWER** that the obligation of the **BORROWER** to pay the Installments is absolute and unconditional pursuant to his having executed this Agreement. Dishonour of any Clearing Mandate shall attract Mandate dishonour charges as mentioned in the **SCHEDULE-III** hereunder.
- f) The payment of the Installments shall commence as agreed in the **SCHEDULE-II** irrespective of the delivery of the Product.
- g) The Parties to the present agreement irrevocably agrees that any changes in interest rates and charges shall be effective prospectively & after due communication only.
- h) Whereas although the **BORROWER** has agreed to give Clearing Mandate for payment of Instalments, any non-presentation on the part of the **LENDER** due to any reason whatsoever shall not affect the liability of the **BORROWER** to pay the said Instalments. The **BORROWER**, at its own cost and expense, agrees to replace the Clearing Mandate if so required by the **LENDER**.
- i) The **BORROWER / Co-BORROWER / GUARANTOR** (if the **GUARANTOR** had given such in discharge of the **BORROWER's** obligation under this Agreement) as the case may be shall not at any time close the bank accounts / from which Clearing Mandate have been issued and/or issue any communication to the **LENDER** for stopping or postponing the presentation of the said and /any such communication if sent shall be regarded as a dishonour of the Clearing Mandate drawn and constitute default of the terms of this Agreement.
- j) In consideration of the **LENDER** entering into this Agreement with the **BORROWER**, the **BORROWER** shall, in addition to the down payment, deposit with the **LENDER** one installment, as advance installment (as per the **SCHEDULE-III**) which shall be adjusted by the **LENDER** against the first installment (as per the **SCHEDULE-II**). The deposit of advance installment shall not carry any interest.

3. The **BORROWER** expressly agrees and covenants with the **LENDER**:

- a) To keep the Product in sound and working condition and at all reasonable time to allow the **LENDER** and/or its authorised representative to inspect the same.
- b) Not to engage any person other than authorised mechanics of the Manufacturer or authorized Dealer / Supplier of Manufacturer to affect the repairs, if any, to the Product.
- c) To keep the Product and accessories in the **BORROWER's** own custody and not change the Registration Number / registered address without the **LENDER's** previous consent in writing and not to sell or pawn or hire or otherwise deal with or dispose off the said Product in any manner whatsoever or part with possession.
- d) Without prejudice to the provisions of the Sub-clause c above, it is understood that in no event will the **LENDER** consent to the Product and accessories being removed from the above mentioned address. The **BORROWER** hereby expressly agrees that if he is about to remove the said Product he will give a 15 days prior written notice to the **LENDER** of such intention and will before removing observe such terms as **LENDER** the may stipulate.
- e) To pay the **LENDER** on demand all expenses, costs or charges incurred in ascertaining the whereabouts of the **BORROWER** or the said Product or in recovering or endeavoring to recover the possession thereof from any one in whose possession the Product shall for the time being be.
- f) Not to use the Product as a means of transport in the smuggling of any goods or in the carriage of any smuggled or prohibited goods adapted, altered or fitted for the purpose of concealing such goods or for any other unlawful and/or illegal purpose including but not limited to transport or smuggle of any contraband or narcotics substance etc.
- g) Not to sell, pledge, hypothecate, hire or otherwise deal with the Product or part with the

possession of the Product or remove it out of the state where the original delivery was effected without the express written permission of the **LENDER** previously obtained and also not to use the Product for any purpose other than that declared in the **BORROWER's** proposal / application as the case may be.

- h) To pay in the name and on behalf of the **LENDER** all fees and taxes payable in respect of the Product as and when the same become due and to indemnify the **LENDER** against all such payment.
- i) Permit the **LENDER** and/or its authorised representative to inspect the Product at all reasonable times, and for that purpose permit the **LENDER** and / or its authorised representatives to enter any premises where the Product is parked / located.
- j) Strictly follow all instructions given by the Manufacturer / Dealer / Supplier for use of the Product.
- k) Always remain in possession of the Product and not to pledge, hire or otherwise deal with the Product without the prior express written permission from the **LENDER**.
- l) Indemnify the **LENDER** against loss or damage to the Product or any part thereof from whatever cause whether or not such loss or damage is as a consequence of the negligence of the **BORROWER**.
- m) Not to do any act to affect the negotiability of the Clearing Mandate (being the Clearing Mandate given under this agreement) and/or writing any letters to the **LENDER** / Bankers to withhold presentation of all or any of the Clearing Mandate due for payment.
- n) Undertake to keep the Product covered by a valid permit wherever necessary during the continuance of this Agreement and strictly in accordance with the terms and conditions laid down in the permit/s, if any, issued to him by the registering authority in respect of the Product.
- o) This **BORROWER** is obliged to pay Installment's during the contracted period regardless of whether the Product requires repairs or is in operation or not or is working or not and the **LENDER** shall not be liable or responsible for nonperformance, if any, of the Product and further the **BORROWER** shall look solely to the Manufacturer / Supplier / or Dealer of the Product as the case may be for the performance of all guarantees and warranties with respect to the Product.
- p) It is agreed that the **LENDER** shall be entitled to levy service charges for rendering services to the **BORROWER** under this agreement and the **BORROWER** shall pay the same on demand, failure on part of the **BORROWER** shall be a default of the terms of this agreement entitling the **LENDER** to take remedial steps as set out hereinafter in the agreement. The **BORROWER** acknowledges that levy of such service charges by the **LENDER** are reasonable and indeed recoverable and he shall not set up any defence against the demand thereof. These service charges for the services shall be those set out in the **SCHEDULE-III** hereto and/or as may be prescribed by the **LENDER** from time to time for such or any services it has to render to the **BORROWER** at his request or which has become necessitated due to change/modification in the statute.
- q) The **BORROWER** and/or the **Co-BORROWER** agrees that if any amounts are outstanding for payment by the **BORROWER** and / or the **Co- BORROWER** (not being the Installments as set out herein) including on account of the indebtedness of the **BORROWER** / **Co-BORROWER** in respect of any dues repayable by them under this agreement or any other contract / agreement which they have entered into with the **LENDER** (including under guarantees , indemnities or other by whatever name called) the **LENDER** shall be entitled to encase the Clearing Mandate for the satisfaction of such outstanding amounts not withstanding that such Clearing Mandate have been deposited / furnished to the **LENDER** for the payment of Installments and the **BORROWER** and / or the **Co-BORROWER** shall continue to be indebted to the **LENDER** for the Installments.
- r) To inform the **LENDER** of any change in address and/or phone number(s) and/or e-mail address within seven (7) days of such change taking place.
- s) In the event of any cheque(s)/draft(s) issued by the **BORROWER** / **Co-BORROWER** / **GUARANTOR** to the **LENDER** for payment of Installment and/or any other charges/dues being lost/stolen/misplaced/damaged, the **BORROWER** agrees to replace the said

cheque(s)/draft(s) of given amount within seven (7) days of being informed of the same by the **LENDER**.

- t) The Borrower hereby provides his consent that in the event of Fraud and / or suspicion of fraud, the Lender may appoint independent auditor who shall perform such due diligence on behalf of the Lender and the Borrower shall extend full cooperation to such independent auditor under all circumstances.
- u) The Borrower hereby agrees that the Lender has a right to monitor the end use of the loan amount. For this purpose, the Lender may desire specific certification from the Borrower's auditors regarding diversion / siphoning of funds by the Borrower and /or the Lender may award a separate mandate to the Borrower's auditor for the same purpose as stated above.
- v) The Borrower further agrees with the Lender that, in case the Borrower is a Body Corporate, the Borrower will not allow any individual in its Board / Committee who have been declared as Willful Defaulter and if added, the Borrower shall immediately take steps to remove such individual from its Board / Committee.

4. Insurance:

- 4.1 The **BORROWER** shall at his own cost insure and keep insured the Product with an Insurance Company registered with Insurance Regulatory and Development Authority of India (“**IRDAI**”) during the entire tenure of the contract and also till it has paid all amounts under this agreement to the satisfaction of the **LENDER** duly insured covering comprehensive risks including but not limited to civil commotion, riot, flood, tempest, earthquake and unlimited third party risk. If the **BORROWER** fails to so insure the Product or to keep it so insured, the **LENDER** shall without prejudice to any of its rights under this agreement in consequence of the said failure though not bound, may insure the Product and keep it insured for which the **BORROWER** shall reimburse to the **LENDER** on demand all charges and expenses as may be incurred for such insurance by the **LENDER**. The **BORROWER** shall produce evidence of such insurance as the **LENDER** may require. The **BORROWER** hereby irrevocably appoints the **LENDER** as his agent for the purpose of receiving all moneys payable under the said policy of insurance and to do all acts for that purpose and give discharge thereof and the **LENDER** may notify the insurers of this condition.
- 4.2 The **BORROWER** shall use the Product himself and through his servants and agents strictly in accordance with the terms and conditions of the insurance policy and shall not do or permit to be done any act or thing which may render such insurance invalid and use the Product legitimately and not engage in any unlawful or illegal activity by which the ownership or custody of the Product is in any way jeopardized.
- 4.3 In case the **BORROWER** proposed to opt for Kotak Car Loan Cover (as offered by the **LENDER** under the terms and conditions of the Insurance Policy Number as mentioned in the **SCHEDULE-III** attached herewith), the **LENDER** hereby conveys its acceptance to the aforesaid proposal of the **BORROWER** by offering the financial facility for the purpose of financing the premium (including statutory, other levies, duties, handling, administrative and other charges as mentioned in **SCHEDULE-III** attached herewith) to enable the **BORROWER** to avail the insurance cover as offered under the aforesaid Insurance Policy. Such amount is forming part of and is included in the Loan Amount as mentioned in the **SCHEDULE-I** attached herewith. The **BORROWER** hereby acknowledges that, the **LENDER** has right to reject such proposal of Kotak Car Loan Cover by not offering the said financial facility (proposed to be opted by the **BORROWER** for the purpose of financing the premium) to the **BORROWER**. With these presents the **BORROWER/Co-BORROWER** and **GUARANTOR** acknowledge and accept the **LENDER's** right of acceptance and rejection of the aforesaid proposal of financing for Kotak Car Loan Cover and shall abide by all or any of the request as has been approved by the **LENDER** under the Loan Agreement.
- 4.4 Where the **BORROWER** has opted and the **LENDER** has provided for Kotak Car Loan Cover, the **BORROWER** shall abide by all the terms and conditions as mentioned in Good Health

Declaration executed by him on the date as mentioned in the **SCHEDULE-III** attached herewith. The **BORROWER** also hereby declares that all the statements and averment made therein in aforesaid Good Health Declaration are true and correct.

5. The **BORROWER** in whose name the Product is going to be registered acknowledges with the express consent of the **Co-BORROWER** and the **GUARANTOR** that the **BORROWER** shall, at the time of delivery of the Product to the **BORROWER**, by an oral agreement, hypothecate the Product in favour of the **LENDER** in order to secure the **LENDER's** dues and charges on the terms and conditions contained in this agreement and upon such oral agreement the Product shall stand hypothecated in favour of the **LENDER**. The **BORROWER** undertakes to get the registration certificate of the Product endorsed with the name KOTAK MAHINDRA PRIME LIMITED in accordance with clause 9 below within a period of 15 days from the date of delivery of the Product to confirm and record the fact that the has hypothecated the Product in favour of the at the time of delivery of the Product to the as per the provisions of this agreement. The parties hereto agree that the endorsement of the registration certificate and/or vehicle registration records of the Road Transport Authority with the name KOTAK MAHINDRA PRIME LIMITED as stipulated in Clause 9 shall operate as conclusive evidence of such hypothecation. Provided that the default by the **BORROWER** to get the Registration Certificate endorsed with the name KOTAK MAHINDRA PRIME LIMITED shall not be deemed to be or construed as an absence of the **BORROWER's** oral hypothecation of the Product in favour of KMPL as mentioned above simultaneous with the delivery of the Product. The **BORROWER** undertakes to supply the details of the Product (either directly or through the Dealer/Supplier) as soon as such details are available. The said proposed hypothecation shall be by way of first and exclusive charge against the **LENDER's** dues and charges. The **BORROWER** shall not encumber or transfer the Product in any manner whatsoever without the express consent in writing of the **LENDER**. Without prejudice to the above, the **BORROWER** has also, pursuant to a Power of Attorney, authorised the **LENDER** to hypothecate the Product in favour of the **LENDER** at the time of delivery of the Product to the **BORROWER** or at any time thereafter.
6. The **BORROWER** shall not encumber or transfer the hypothecated Product in any manner whatsoever without the express consent in writing of the **LENDER**. The **BORROWER** undertakes to get the registration certificate endorsed with the name of KOTAK MAHINDRA PRIME LIMITED to further confirm and record the fact that the Product stands hypothecated to the **LENDER**.
7. The **BORROWER** confirms that the Product has been examined and/or tested and is in good working order and condition and satisfactory to the **BORROWER**. The **BORROWER** further agrees that the **LENDER** is not in any way responsible for the non-performance of all or any guarantees and warranties in respect of the said Product.
8. The **LENDER** shall pay interest at the rate specified in the **SCHEDULE-I** (subject to TDS, and Goods & Services Tax (GST) as per applicable rate) on the security deposit to the **BORROWER / Co-BORROWER / GUARANTOR**. The accrued interest shall be paid to the **BORROWER / Co-BORROWER / GUARANTOR** at the time of maturity of the transaction. It is however agreed that in the event of this Agreement coming to an end prior to the term of the total period (as per the **SCHEDULE-II**) either because of termination being effected by the **LENDER** or because of the **BORROWER** exercising option of prepayment or upon the **LENDER** recalling the Loan upon any default on the part of the **BORROWER** then upon repayment of the Security Deposit at that stage, the **LENDER** shall not be liable to pay the stipulated rate of interest on the security deposit but shall pay interest at a rate which is 2% less than the stipulated rate of interest on the security deposit.
 - 8.1 The **BORROWER / Co-BORROWER / GUARANTOR** (as the case may be) hereby confirms an unconditional and absolute lien on the **LENDER** in respect of the security deposit and interest accruing thereon in terms of Clause 8 above and grants to the **LENDER** an

unconditional right to adjust these moneys in such manner as deemed fit and necessary by the **LENDER**.

8.2 **Notwithstanding anything else herein contained, the LENDER will have absolute discretion to appropriate the deposit if any, received from the BORROWER / Co-BORROWER / GUARANTOR as the case may be notwithstanding anything contrary contained elsewhere herein against any dues in respect of the Installments, compensation or any other dues under this Agreement or in respect of dues under any agreement with the LENDER/**

8.3 It is hereby agreed and understood by the **BORROWER / Co-BORROWER / GUARANTOR** that whenever the **LENDER** is required to pay back the security deposit to the **BORROWER / Co-BORROWER / GUARANTOR** in terms of this clause the same shall be paid against the **BORROWER / Co-BORROWER / GUARANTOR** submitting the original Security Deposit Receipt duly discharged. In case the **BORROWER / Co-BORROWER / GUARANTOR** for any reason whatsoever is unable to produce the Original Security Deposit Receipt then he shall execute and furnish a Deed of Indemnity at his own cost and expense in such form and manner as the **LENDER** may require for the purpose.

9. The **LENDER** agrees to permit **BORROWER** to have the registration of the Product in his own name provided that in the registration certificate the name of the **LENDER** is endorsed as following "The Product described above is held and hypothecated under a Loan agreement with KOTAK MAHINDRA PRIME LIMITED, 27 BKC, C 27, G Block, Bandra Kurla Complex, Bandra (E), Mumbai-400051."

9.1 The **BORROWER** agrees that he shall send a copy of the invoice as also the RC book to the **LENDER** containing the endorsement of hypothecation of the Product effected as stipulated in clause 5 above in favour of the **LENDER** within 15 days of his having taken delivery of the Product.

9.2 The **BORROWER** agrees and confirms that failure on his part to comply with the provisions of clause 9.1 hereinabove, shall be a default on his part under the terms of this agreement.

9.3 The **BORROWER** and the **Co-BORROWER** are jointly and severally liable to perform and observe the terms and conditions of this agreement.

10. **Promissory Note:**

Upon execution of this Agreement the **BORROWER / Co-BORROWER / GUARANTOR** (all of them or as the case may be) shall execute a Promissory Note of the value of the Total Installments less the advance installments along with the rate of interest applicable. It is expressly clarified that such Promissory Note shall be by way of collateral security for repayment of loan and shall not be deemed to be conditional payment of Installments.

11. **Agreement Inter-se between BORROWER / Co-BORROWER:**

a. It is agreed inter-se between the **BORROWER** and the **Co-BORROWER** that although both the **BORROWER** and **Co-BORROWER** are jointly and severally liable to perform and observe all the terms and conditions of this agreement, the **Co-BORROWER** has permitted the **BORROWER** to register the Product in his name and notwithstanding such registration in the exclusive name of the **BORROWER**, the **Co-BORROWER** shall be and continue to be liable for duly observing and performing the terms of this agreement and the **LENDER** shall be entitled to proceed against the **Co-BORROWER** and / or the **BORROWER** as it deems appropriate for enforcement of its rights herein, and the **Co-BORROWER** shall not set up any defence against the **LENDER** therefor, stating that the Product is registered only in the name of the **BORROWER**.

b. If the **BORROWER / Co-BORROWER** is desirous of changing the Clearing Mandate which they have deposited with the **LENDER** towards payments of the Installments due to any reason whatsoever (including but not limited to change in the bank account) then they shall do so only after obtaining written consent therefor from the **LENDER** upon paying

such sum as mentioned in the **SCHEDULE-III** hereunder to the **LENDER** as charges / towards service charges for effecting the change in its record.

12. Condition of the Product:

- a) The **BORROWER** shall be exclusively responsible for getting the delivery of the Product from the Manufacturer or the Dealer / Supplier. The **LENDER** shall not be liable for any delay in delivery or any demurrage or the quality / condition / fitness of the Product. The **BORROWER** absolves the **LENDER** from any liability in respect of above and that the **BORROWER** agrees not to withhold payment of stipulated Installments on pretext that Product has not been delivered or is not in an acceptable condition.
- b) The **BORROWER** confirms that the Product has been examined, tested and inspected by him to be in good working order to the satisfaction of the **BORROWER**. No claim or objection shall be admissible against the **LENDER** as to the quality or completeness and correctness of the Product. It is expressly clarified that the **LENDER** shall not be responsible nor liable in any way whatsoever for the non-performance of all or any of the guarantees and warranties in respect of the said Product granted or given by the Manufacturer / Dealer / Supplier.
- c) The **LENDER** does not have any liability in case the Manufacturer discontinues the Product and / or alters the Product specification.
- d) The **LENDER** shall not be liable to the **BORROWER** for any liability, claims, loss, damage or expenses of any kind or nature:
 1. Caused directly or indirectly by the Product or any inadequacy thereof, or any defect therein or by the use thereof; or in relation to any repairs, servicing, maintenance or adjustment thereto, or any delay in providing or failure to provide the same or in relation to any loss;
 2. Of business or any damage whatsoever and howsoever caused;
- e) The **LENDER** has not made any and does not hereby make any representation or warranty with respect to the merchantability, fitness, condition, quality, durability, suitability, usage or operation of the Product with any respect;

13.Events of Default:

An event of default shall occur hereunder if the **BORROWER**:

1. **Fails to pay any of the Installments or a part thereof or other payment required hereunder when due whether on demand or not; or**
2. Fails to effect insurance cover of the Product or fails to pay insurance premiums as and when due or fails to reimburse the same to the **LENDER** if paid by the **LENDER**, or under any other document furnished to the **LENDER** in connection herewith; or
3. Fails to perform or observe or carry out any other covenant, condition or Agreement to be performed, observed or carried out by the **BORROWER** hereunder or under any other document furnished to the **LENDER** in connection herewith; or
4. Without the **LENDER's** consent sells, transfers, parts with possession or sub-lets or charges or encumbers or creates any lien on or endangers the Product in the opinion of the **LENDER**; or
5. Dies or commits an act of bankruptcy or become insolvent or bankrupt or is wound up or makes an assignment for the benefit of creditors, or consents for the appointment of a trustee or receiver, or either a trustee or a receiver shall be appointed for the **BORROWER** or for a substantial part of **BORROWER's** property without the **LENDER's** consent or any bankruptcy or re-organization, or insolvency proceedings or winding up proceedings shall be instituted by/or against the **BORROWER**, voluntary or otherwise; It is expressly clarified that the Product shall not be considered to be the property of the **BORROWER** in the event of **BORROWER** being adjudged as insolvent or having a receiver or liquidator

- appointed; or
6. Suffers adverse material change in the financial condition from the date hereof, and as a result thereof, the **LENDER** deems itself or the Product to be unsecured; or
 7. Is in default under any hire purchase or other agreement at any time executed with the **LENDER** or with any bank or financial institution / body corporate or any other creditor ; or
 8. Commits breach of any of the terms of this agreement; or
 9. Is unable to prevent the Product from being confiscated, attached or taken into custody by any authority or from becoming subject of any execution proceedings under the law; or
 10. Is unable to park the Product in a proper parking place under lock and key leading to the Product being stolen away or is in a total loss in the opinion of the **LENDER**; or,
 11. Is unable to convince the **LENDER** about the ability of the **BORROWER** to meet his obligation/s under this agreement; or
 12. Does any act, deed or thing which in the sole opinion of the **LENDER** prejudices the rights of the **LENDER** in relation to the Product; or
 13. Has an execution or sequestration levied against his estate or allows the Product to be seized under any distress, execution or any other process or to be detained by reason of any alleged lien ; or
 14. Transfers the Product outside the State where the original delivery was effected without the previous written approval of the **LENDER**; or
 15. Is unable to protect and take appropriate care of the product leading to the Product being destroyed for any reason whatsoever.

14. Example of classification of loan account as Non-Performing Asset (NPA) and Special Mentioned Account (SMA)

For E.g.: Mr. A has obtained term loan of 5 lakhs from Kotak Mahindra Prime Limited (KMPL) on 1st January 2021. Equated Monthly Installment (EMI) of the loan is Rs 10000/-, of which the Principal component is Rs 8000/- and the interest component is Rs 2000/-. Due date of repayment of EMI by Mr. A is 5th of every month for a fixed tenure.

Scenario 1:-

If Mr. A. fails to pay interest component of the loan, i.e. Rs 2000/- or any such amount arrived at by KMPL on or before the due date and only the interest component applied at specified rests (i.e. whether daily or monthly or yearly) remains overdue for a period more than 90 days, the loan account would be classified as NPA.

Or Scenario 2:-

If Mr. A. fails to pay principal component of the loan, i.e. Rs 8000/- on or before the due date and only the principal amount remains overdue for a period more than 90 days, the loan account would be classified as NPA.

Or Scenario 3:-

If Mr. A. fails to pay both principal and interest component of the loan (EMI), i.e. Rs 10000/- or any such amount arrived at by KMPL on or before the due date and the entire EMI remains overdue for a period more than 90 days, the loan account would be classified as NPA.

The date of SMA/NPA shall reflect in the asset classification status of a loan account at the day-end of that calendar date.

For E.g.: : If due date of repayment of a loan or payment of an EMI is March 31, 2021, and full dues are not received before KMPL 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 loan account shall get tagged as SMA-1 on

April 30, 2021 i.e. upon completion of 30 days of being continuously overdue. Accordingly, the date of SMA-1 classification for that loan account shall be April 30, 2021.

Similarly, if the loan account continues to remain overdue, it shall get tagged as SMA-2 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.

15. Consequences upon event of default:

- 15.1 Upon the occurrence of any event of default and any time thereafter, the **LENDERs** shall, with or without notice, to the **BORROWER** be entitled to declare all sums due and to become due hereunder for the full term of the agreement as immediately due and payable including that the **BORROWER** shall be liable to pay to the **LENDER** pre-payment interest calculated as the percentage (as per the **SCHEDULE-III**) of the balance principal outstanding along with other dues including unpaid installments, taxes, penal charges, etc. due as on date of such declaration and upon the **BORROWER** failing to make the said payment in full immediately, the **LENDER** may, at its sole discretion, do any one or more of the following shall be entitled to the following remedies:
- i) Upon notice to the **BORROWER** terminate this Agreement : and/or
 - ii) Upon Notice, demand that the **BORROWER** return the Product to the **LENDER** at the risk and expense of the **BORROWER**, in the same condition as was delivered to it (ordinary wear and tear excepted) at such location as the **LENDER** may designate. Upon failure of the **BORROWER** to deliver the product as stated above within the period of demand, the **LENDER**, its agents, constituted attorney and/or any other person appointed by the law for such purpose may in accordance with the law shall take immediate possession of the Product and remove the same without liability to the **LENDER** or its agents or such entry or for damage to property or otherwise. Upon such return of the Product or upon the **LENDER** taking possession of the Product as herein before stated the Loan herein granted by the **LENDER** to the **BORROWER** shall stand cancelled and provided however the remedies available to the **LENDER** as herein given shall survive such cancellation of the Loan and the **LENDER** shall be titled and authorised to exercise its right herein including in connection with the Product to recover its dues under this agreement. Notwithstanding as stated above the **BORROWER** waives the requirement of prior notice in the eventuality of establishing the cases of extreme exigency; and/or
 - iii) On such terms and conditions and for realizable consideration which the **LENDER** may receive and with prior notice providing final opportunity to make the outstanding amount to the **BORROWER**, sell the Product at a public or private sale, otherwise dispose off, hold, upon such terms, the Product or use, operate, lease to others or keep idle give on hire such Product, all free and clear of any rights to the **BORROWER** and without any duty to account to the **BORROWER** for such action or inaction thereof, so as to recover the outstanding amount payable by the **BORROWER**. Notwithstanding as stated above the possession of the Product may be returned to the **BORROWER** in the eventuality of realization of outstanding amount by the **BORROWER** to the satisfaction of **LENDER** ; and/or
 - iv) **By written notice to the BORROWER, require the BORROWER to pay to the LENDER (as liquidated damages or loss and not as a penalty) on the date specified in such notice, an amount equal to all unpaid Installments payments and all other payments which, in the absence of a default, would have been payable by the BORROWER hereunder for the full term hereof plus penal charges at the rate specified in Schedule III for the period until receipt of the said amount; and/or**
 - v) Exercise any other right of remedy which may be available to the **LENDER** under the applicable law.
 - vi) It being agreed and understood by the **BORROWER** that the right to the **LENDER** to recover the amount payable and/or repayable or reimbursable to the satisfaction of

the shall survive any such cancellation of Loan and / or termination of the agreement and the 's rights wherever given in connection with initiating of action for enforcing its rights to recover the amount shall also survive the cancellation of the Loan or the termination of the agreement, as the case may be, and the shall be entitled to take all or any of the steps therefor and the shall not take defence of such termination or cancellation of Loan under this agreement

15.2 a. **Distribution on realization:**

The net proceeds of sale, realization, recovery and/or insurance claim proceeds relating to the Product herein, on receipt by the **LENDER** shall be applied at the sole and absolute discretion of the **LENDER** in the manner the **LENDER** thinks fit. The **BORROWER** shall continue to be liable for any deficiency in the amount due to the **LENDER** by the **BORROWER** after adjustment of the net proceeds of sale, realization, recovery and/or insurance claim as above.

- b. No interest or compensation shall be payable by the **LENDER** to the **BORROWER** on the proceeds to be held by the **LENDER** or during the period the same shall be held by the **LENDER** for being applied in terms of clause 14.2(a) on distribution or realization.
- c. Upon the termination or earlier determination of this agreement or the cancellation of the Loan as the case may be, the **LENDER** shall be absolutely entitled or be at liberty to sell or otherwise dispose off the Product in such manner as they may deem fit including by private sale which shall be acceptable to the **BORROWER**.
- d. If the price recovered on such sale or disposal falls short of the aggregate amount of installments remaining due and payable, the **LENDERS** may, by a notice in writing call upon the **BORROWER** to pay the difference within such days of the receipt of the Notice by the **BORROWER**, together with all overdue sums, owing and payable by the **BORROWER** to the **LENDER** under or by virtue of these presents and the **BORROWER** agrees to make such payment without demur;

15.3 In addition and without prejudice to what is stated above, the **BORROWER** shall be liable for all legal and other costs and expenses resulting from the foregoing defaults from exercise of the **LENDER's** remedies, including but not limited to possession of any of the Product and / or collection recovery of all or any charges payable by the **BORROWER / Co- BORROWER** as the case may be.

15.4 No remedy referred to hereinabove is intended to be exclusive, but the same shall be in addition to any other remedy available to the **LENDER** at law. The **LENDER** reserves the rights to appoint bankers or financial institutions or any other person it deems fit as their attorney or agent for the purpose of enforcing their right and remedies under this agreement.

16. Pre-payment of the Loan

- a. Subject to the provisions contained in this clause 15 below, the **BORROWER** shall be permitted to make part or full prepayment of the Loan in accordance with the other terms and conditions as contained in **SCHEDULE- III**.
- b. Part or full prepayment shall be allowed only after 6 months from the date of commencement of the monthly instalments.
- c. The minimum amount for part Prepayment payable for each such prepayment is at least equal to the amount comprising of four consecutive future installments. Prepayment is permissible for a maximum three times in a financial year.
- e. If the **BORROWER** makes any full or part prepayment without fulfilling the conditions determined by the **LENDER**, the **LENDER** shall be entitled to appropriate the same in such manner as it deems fit and the **LENDER** will give the **BORROWER** credit for the same only on due date and not before.
- f. Any full/part prepayment of the Loan would not be permitted unless the makes payment of the Charges mentioned in the **SCHEDULE- III**.
- g. For any part or full prepayment, **BORROWER** will have to give a prior notice in writing of 15 days to the **LENDER**.
- h. The **BORROWER** agrees that the part Pre-payment shall not have any effect on the amount of

monthly Installments, payable by the **BORROWER**.

17. This agreement is personal to the **BORROWER** and his right and / or obligations shall not be assignable or chargeable by him directly or indirectly.
18. It is expressly agreed and declared that any Dealer of the Product by or through whom this transaction may have been introduced, negotiated or conducted is not an Agent of the **LENDER** and that the **LENDER** has no liability for any representations or statements not made directly by the **LENDER** to the **BORROWER**.
19. The **BORROWER** irrevocably agrees that the Installments will be increased by Goods & Services Tax (GST) as per applicable rate or any other related and consequential charges now or hereafter levied on this transaction, with retrospective or prospective effect. The Installments shall also be increased by any increase in the purchase price of the Product in the intervening period between placement of the Order and its acceptance and eventual delivery of the Product, if such increased in the price is funded by way of Loan to the **BORROWER**. The **BORROWER /Co-BORROWER** and/or **GUARANTOR** agrees and undertakes to promptly (and in any event within 7 days of being so required by the **LENDER**) pay the following :
 - a) **all present and future duties, taxes, expenses and any other charges whatsoever in relation to this Agreement, the Product(s) and/or the Security and**
 - b) **all other charges, costs and expenses from time to time specified by the LENDER (including all costs and expenses incurred or paid by the LENDER) in relation to this Agreement in accordance with the provisions of this Agreement and**
 - c) **all expenses and charges, including legal charges, incurred by the LENDER for enforcement of this Agreement and/or any Security including those incurred for repossession and/or sale of the Product(s) and/or for recovery of the Loan Balance or any part thereof.**

If the **LENDER** in its discretion makes any such payments, the **BORROWER / Co BORROWER** and/or **GUARANTOR** undertakes to reimburse the **LENDER** within 7 days of being informed by the **LENDER** of the same, along with interest thereon at the rate mentioned in the **SCHEDULE- III** in respect of the Loan. In particular, the **BORROWER** agrees and undertakes to pay the charges, costs and expenses as mentioned in the Agreement.

20. A) Liabilities of **GUARANTOR** :-

The **GUARANTOR** at the request of the **BORROWER** agrees that his obligations shall be concurrent with those of the **BORROWER / Co- BORROWER** in all respects as if he himself was **BORROWER** the and guarantees to the **LENDER** :

 - i) The regular and punctual payment of all installments by the **BORROWER** and the due performance and observance of all the terms and conditions of this agreement by the **BORROWER** :
 - ii) Payment to the **LENDER** of all moneys becoming payable to it under or by virtue of this agreement either by way of debt or Borrowing or damage or cost or expenses or otherwise whatsoever;
 - B) The **GUARANTOR** further agrees:
 - i) to renounce the rights to claim the **BORROWER's** property and any other benefits to which sureties are by law otherwise entitled ;
 - ii) that the neglect or forbearance of the **LENDER** in enforcing payment of any moneys due under this agreement or any other indulgence shown to the **BORROWER** shall not release the **BORROWER** and/or the **Co- BORROWER / GUARANTOR** from the several obligations under this agreement or in any way alter or affect the rights of the **LENDER** under or in respect of the agreement or the Product.
21. **The GUARANTOR in consideration of the LENDER agreeing to grant this Loan to the BORROWER further agrees, declares and guarantees as under:**
 1. The **BORROWER** shall observe and perform the terms and conditions of this agreement and shall pay on demand all moneys due or which may become due under this agreement by way of Installments, interest, damages, cost, charges or expenses and the **GUARANTOR** further agrees and guarantees that if the **BORROWER** shall make any default in observance and

performance of any of the terms and conditions or payment of any monies due and payable hereunder, the **GUARANTOR** shall forthwith on demand, without demur and irrespective of any dispute or difference pending between the **LENDER** and the **BORROWER** or any raised by the **BORROWER** pay to the **LENDER** such monies in payment whereof default shall have been made and shall pay to the **LENDER** all claims, damages, loss, cost, charges or expenses, penal charges which the **LENDER** may suffer, incurs or be put to as a result of default by the **BORROWER**.

2. The **GUARANTOR** agrees with the **LENDER** that the **LENDER** shall be at liberty to make variations in this agreement or in any terms and conditions thereof including manner of the payment of Installments or to enter into any arrangement with the **BORROWER** or to show any indulgence or to give time or not to sue, without any way affecting the liability of the **GUARANTOR** and the **GUARANTOR** hereby agrees that the **GUARANTOR** shall not be discharged from the liability hereunder by the **LENDER** releasing the **BORROWER** or any of the security it may hold by any act of omission or commission, the legal consequences whereof may otherwise have been to discharge the **GUARANTOR**.
3. The **GUARANTOR** waives in favour of the **LENDER** all or any of the rights that the **GUARANTOR** may have against the **LENDER** as surety or otherwise in law or otherwise to give effect to the provision hereof.
4. A notice of demand by the **LENDER** against **GUARANTOR** shall be the final and conclusive evidence that the **BORROWER** has committed a default and that the moneys and the amount claimed thereunder is due and payable by the **BORROWER** to the **LENDER** and the **GUARANTOR** shall not be entitled to challenge the notice on the ground that no default has been committed or the amount mentioned therein as due and payable is not payable or on any other ground.
5. The **GUARANTOR** agrees and declares the **LENDER** shall not be bound and compelled to take any proceeding, steps or action against the **BORROWER** for recovery, enforcement or realization of any of the dues from the **BORROWER** and against the said Product including repossessing the same under or pursuant to this agreement and the **GUARANTOR** shall be bound and liable to pay all monies payable under any form by virtue of this guarantee notwithstanding that the **LENDER** shall not have taken any steps or proceeding against the **BORROWER** or the Product.
6. The guarantee **GUARANTOR** that the **BORROWER** shall hand over to the **LENDER** possession of the Product as and when, under these presents, the **BORROWER** become liable to do so or as and when the **LENDER** become entitled to dispossess the Product under and pursuant to these presents and the **GUARANTOR** agrees to help and assist the **LENDER** in recovering possession of the Product.
7. The **GUARANTOR** in relation to the **LENDER** is and shall be the principal obligor in respect of all obligations, liability and responsibilities undertaken in favour of the **LENDER** under this guarantee and the **LENDER** is and shall be the principal obligor in respect of all obligations, liability and responsibilities undertaken in favour of the **GUARANTOR** under this guarantee and the **GUARANTOR** shall be entitled to proceed against the **GUARANTOR** as if the **GUARANTOR** was the principal debtor of the **LENDER** in respect of all obligations and payments guaranteed by the **GUARANTOR**.
8. This guarantee shall not be affected by the death, insolvency or winding up of the **BORROWER** / **Co- BORROWER** or by absence of power or irregularity or informality on the part of the **BORROWER** / **Co- BORROWER** to take the Product under a loan or to enter into this agreement

9. That the **LENDER** shall be at liberty to sue the **BORROWER** and the **Co-BORROWER / GUARANTOR** jointly or severally or shall be entitled to proceed against the **Co-BORROWER/ GUARANTOR** only in the first instance.
10. That the indemnities / Guarantees contained herein shall remain in full force and effect for the entire period of the aforesaid Loan agreement and shall survive the termination by the **BORROWER** or the cancellation of the Loan or this agreement insofar as they relate to events which occurred during the period of the aforesaid Loan agreement or any extension hereof. The **GUARANTOR** undertake that these indemnities / guarantees contained herein shall not be assigned, transferred, revoked, cancelled, altered, modified or withdrawn without the prior written consent of the **LENDER**. Any notice to the **BORROWER / Co- BORROWER / GUARANTOR** by the **LENDER** shall be in writing and posted to the **BORROWER 's / Co- BORROWER / GUARANTOR's** last known address and any notice required to be given by the **BORROWER / Co- BORROWER / GUARANTOR** under this agreement shall be in writing and sent by Registered Post to the aforesaid address of the **LENDER** and for proving service, it shall be sufficient to show that the envelope containing the notice was properly addressed and posted.

11. Assignment:

- a) This agreement is personal to the **BORROWER** and the **BORROWER** shall not be entitled to transfer or assign any of its rights or obligations under this agreement to any person directly or indirectly without the prior written consent of the **LENDER** in this behalf. The **BORROWER** further agrees that during the period of this agreement the **BORROWER** shall not part with the Product to any third party.
- b) The **LENDER** shall be entitled to assign its rights, obligations, duties and liabilities under this Agreement. In event of such assignment by the **LENDER** and if directed by the **LENDER** the **BORROWER** agrees to perform his obligations under this agreement qua such Assignee.

12. Securitization:

- a) The **BORROWER** expressly recognises and accepts that the **LENDER** shall be absolutely entitled and have full power and authorized to sell, assign or transfer in any manner, in whole or in part, or in such manner and on such terms as the **LENDER** may decide, including reserving a right to the **LENDER** to retain its powers hereunder to proceed against the **BORROWER** on behalf of the Purchaser, assignee or transferee, any or all outstanding dues of the **BORROWER** to any third party of the **LENDER's** choice without reference to or without written intimation by the **LENDER** or to the **LENDER**.
- b) Any such action and such sale, assignment or transfer shall bind the **BORROWER** to accept such third party as creditor exclusively or as a joint creditor with the **LENDER**, or as creditor exclusively with the right to the **LENDER** to continue to exercise all powers hereunder on behalf of such third party and to pay over such outstanding and dues to such third party and/or to the **LENDER** as the **LENDER** may direct.
- c) Any cost in this behalf, whether on account of such sale, assignment or transfer or enforcement of rights and recovery of outstanding dues shall be to the account of the **BORROWER**.
- d) The **BORROWER** acknowledges and undertakes to pay to third parties the difference between the cheque outstanding and the amount received by the **LENDER** in the event of transfer of the portfolio to a third party.
- e) The third party shall have authority of the **BORROWER** to collect the due amount.

13. Cross Default/Liability:

The **BORROWER** agrees, confirms and acknowledges that any default by the **BORROWER** under any other Agreement or arrangement or guarantee or security or other In debtless of the **BORROWER** with the **LENDER** shall constitute an event of default under this agreement and vice-versa. The said amounts shall be deemed to be dues under this agreement secured by the

security and vice-versa.

14. Appropriation / Set Off and enforcement of security:

Without prejudice to what is stated hereinabove, the **BORROWER** hereby expressly agrees and confirms that in the event of the **BORROWER** and/or the **Co- BORROWER** and/or the **GUARANTOR** failing to pay the outstanding amount under the loan or any other loan/facility or commits default under any agreement/s then the **LENDER** shall without prejudice to any of its rights under any other agreements with the **BORROWER**, shall at its sole discretion and with prior notice to the **BORROWER** be at liberty to apply any other money or amounts standing to the credit of the **BORROWER** and/or the **Co- BORROWER** and/or the **GUARANTOR** in any account with the **LENDER** or towards payment of the Dues or towards the Indebtedness of the **BORROWER** and / or **Co- BORROWER**.

In addition, notwithstanding the repayment of the Loan Balance, the **BORROWER** and/or the **Co- BORROWER** and/or the **GUARANTOR** hereby expressly and irrevocably authorizes the **LENDER** to take possession of/sell/transfer or otherwise dispose of any and all security created in favour of the **LENDER** under this Agreement or any other security under the possession or control of the **LENDER** or any other security documents executed in favour of or deposited by the **BORROWER** and/or the **Co- BORROWER** and/or the **GUARANTOR** with **LENDER** and appropriate the same towards satisfaction of amounts due to the **LENDER** on account of this agreement or another agreement or transaction entered into by the **BORROWER** and/or the **Co- BORROWER** and/or the **GUARANTOR** on account of the Indebtedness of the **BORROWER** and/or **Co- BORROWER** and/or the **GUARANTOR**. The provisions of this Agreement and any security document executed pursuant to this Agreement shall apply mutatis mutandis to the manner of disposal of security and appropriation under this Clause.

15. Disclaimer by LENDER:

It is expressly clarified and declared that any Manufacturer / Dealer / Supplier for the Product by or through whom this transaction may have been introduced, negotiated or conducted shall not be deemed to be an agent of the **LENDER** and that the **LENDER** shall not be liable for any representation or statements made by such Manufacturer / Dealer / Supplier to the **BORROWER**.

16. Additional Charges:

Increase in Taxes / Revisions in Product Price

- a) The parties hereto confirm that the Installments have been arrived at after taking into account all relevant taxes, duties, charges and levies applicable as on the date of this agreement. The **BORROWER** agrees that the Installments will be increased by any fresh imposition or increase of Installments, taxes, duties, levies and charges during the subsistence of this agreement. In the event of such taxes, duties, levies and charges increasing during the period of the placing of the order for the Product and its acceptance and eventual delivery to the **BORROWER**, such increases shall also be borne and paid by the **BORROWER**.
- b) If the price of the Product (in case of acquiring a new Product) is revised upwards after the date hereof and prior to delivery of Product then in that event the **BORROWER** shall pay all of the additional amount (in addition to the amount already paid or to be paid by him / it along with the Installment's as the price of the Product) that may be required for acquiring the Product at such revised price and the **LENDER** shall not be liable to pay any amount by way of loan or otherwise for such revision in price of the Product.

- c) The **LENDER** shall not be responsible for any downward revisions in the Product price by the Manufacturer / Dealer / Supplier after the delivery of the Product and the **BORROWER** will not withhold payment of any installments on this ground.
- d) The **BORROWER** shall during the period of this agreement and till all amounts payable under this agreement are paid by the **BORROWER** in full to the **LENDER's** satisfaction herein bear all imposts, charges and other duties, taxes and penalties as may be levied from time to time by any government or any other authority pertaining to or in respect of the Product and/or this agreement and pay the same on demand by the **LENDER**.
- e) The **BORROWER** agrees to reimburse to the **LENDER** immediately upon demand Goods & Services Tax (GST) as per applicable rate or any nature imposed now or hereafter whether during or after the termination of this agreement provided it is pertaining to the period of this agreement and till the duration that the **BORROWER** has paid all amounts to the **LENDER** under this agreement to the **LENDER's** satisfaction the **BORROWER** shall also be liable to reimburse to the **LENDER** interest, penalty, fee, fine for any other losses that the **LENDER** may have to bear for reasons of having paid tax, duty, penalty or any other sum.
- f) If the **BORROWER** fails to pay the money referred to in sub-clause (a), (b), (d) & (e) above, the **LENDER** may pay the same and the **BORROWER** shall reimburse all sums so paid together with compensation charges as provided in clause 2 (b) hereof.
- g) Any failure on the part of the **BORROWER** to pay any such taxes, duties or other outgoings as set out in the sub clauses above, shall constitute a default of the agreement entitling the **LENDER** to take all or any remedial action as contained herein.

17. Liability for Sales Tax / Other taxes of BORROWER:

Any demand for payment of Goods & Services Tax (GST) as per applicable rate by whatsoever name called made by concerned authorities on the **LENDER** or any such discharge of payments made by the **LENDER** consequent to such demand shall be borne by the **BORROWER** and the **BORROWER** shall forthwith on demand pay and / or reimburse to the **LENDER** the said Goods & Services Tax (GST) as per applicable rate and levies.

- a. The **BORROWER** hereby expressly covenants with the **LENDER** that the **BORROWER** will not do or omit to do any act which may result in seizure and / or confiscation of the Product by the central or state government or local authority or any public officer or authority under any law for the time being in force.
- b. The **BORROWER** hereby agrees and declares that the **BORROWER's** obligations to pay all Installments and all over due amounts payable under or pursuant hereto shall be absolute and unconditional.

18. Miscellaneous Provisions:

- a. Reservation of Rights
No forbearance, indulgence or relaxation or inaction by the **LENDER** at any time shall in any way affect, diminish or prejudice the right of the **LENDER** arising out of this agreement or acquiescence to or recognition of rights and / or position other than those expressly stipulated in this agreement
- b. Cumulative Rights:
All remedies of either party under this agreement whether provided herein or conferred by statute, civil law, custom or trade usages are cumulative and not alternative and may be enforced successively or concurrently.
- c. Severability:
No modification or amendment of this agreement and no waiver of any of the terms and conditions hereof shall be valid or binding unless made in writing and duly executed by all the parties to this Agreement.
- d. Amendments:
No modification or amendment of this agreement and no waiver of any of the terms and

conditions hereof shall be valid or binding unless made in writing and duly executed by all the parties to this Agreement.

- e. Payments: The **BORROWER / Co- BORROWER / GUARANTOR** shall not make any payments to any Direct Marketing Associate (DMA) and/or Direct Sales Associate (DSA) and/or any other Marketing & Sales Associate (MSA), whether known by any other name, of the **LENDER**. All payments by the **BORROWER / Co BORROWER / GUARANTOR** to the **LENDER** shall be made directly to the **LENDER**. The **LENDER** shall not be responsible/liable for any payments made by the **BORROWER / Co BORROWER / GUARANTOR** to any DMA/DSA/MSA of the **LENDER** and such payments being misappropriated by the DMA/DSA/MSA. All payments shall be made by crossed account payee cheque or demand draft /pay order payable to Kotak Mahindra Prime Limited.
- f. Loan Application: The loan application of the **BORROWER** shall form an integral part of this loan agreement.
- g. All documents submitted in connection with the loan application and/or this loan agreement including, but not limited to, photocopies of original documents, photographs, signature verification, address verification, bank details etc. shall become the sole property of the **LENDER** and shall not be returned/handed over by the **LENDER** to the **BORROWER / Co- BORROWER / GUARANTOR** or any person acting on their behalf.

19. Disclosure of Information:

The **BORROWER, Co- BORROWER, and GUARANTOR** hereby irrevocably agree and consent with the **LENDER** to disclose at any and all times and sharing with or in any manner making available to any agency, bureau, company, firm, association, corporate or unincorporated body, and any other person including any outside agency, the Credit Information Bureau of India Limited (CIBIL) or such other entity (Whether for its own use or for onward communication or disclosure by them to others) any information whatsoever concerning the **BORROWER, Co- BORROWER, and GUARANTOR** including their accounts, their financial relationship and history with the **LENDER**, the manner of operation of their accounts, the debit or credit balance in any and all account/s with the **LENDER**, any default by the **BORROWER, Co- BORROWER, and GUARANTOR**, any security created by the **BORROWER /Co- BORROWER / GUARANTOR** in favour of the **LENDER** for this or any other financial relationship or facilities granted or to be granted to the **BORROWER/Co- BORROWER / GUARANTOR** and/or their identities, ages, addresses, communication numbers and addresses and any other information of or relating to the **BORROWER/ Co- BORROWER GUARANTOR's** directors, shareholders, members, partners, and proprietors or immediate family members (hereinafter collectively referred to as "the Information"). The **BORROW / Co- BORROWER / GUARANTOR** shall not hold the **LENDER** responsible for sharing and/or disclosing the information now or in the future and also for any consequences suffered by the **BORROWER / Co- BORROWER / GUARANTOR** and/or others by reason thereof. The provisions of this clause shall survive ever after the term/termination of this Agreement and the repayment of the **BORROWER's** dues by the **BORROWER**.

20. Release of No Objection Certificate (NOC) / No Dues Certificate (NDC) and satisfaction of Charge:

- a. The Lender shall not liable to issue NOC, NDC and /or release of any charge created before any Statutory of Government authorities like Registrar of Companies (ROC), CERSAI, Online RTO Authorities, Sub-Registrar, any other private or public authorities, and release of Original moveable / immoveable property papers in case of continuing Event of Default, non-completion/submission of adequate documents/ information at the

satisfaction of the Lender and/or non-payment of outstanding dues including but not limited to all expenses and charges, including legal charges, incurred by the LENDER for enforcement of this Agreement and/or any Security including those incurred for repossession and/or sale/auction of the Product(s) and/or for recovery of the Loan Balance or any part thereof and the Lender shall not release the NOC/ NDC to the Borrower or Guarantor or Mortgagor and/or release charges and/or release original property papers if the Borrower, Guarantor, Mortgagor causes any event which jeopardize interest of the Lender under any circumstances and same shall be at the sole discretion of Lender only. In the event of death, refusal, neglect, inability, incapability of a person, the Lender shall only release the original documents pertaining to immovable or moveable properties upon completion of all legal formalities as mandated by law of the Land.

- b. In exceptional cases, where the Lender is believed to have lost or damaged the original movable/immovable property documents, either in part or in full, the lender shall assist the Borrower or Guarantor or Mortgagor in obtaining duplicate/certified copies of the movable / immovable property documents to the best of its ability. The Borrower shall provide all reasonable support to the Lender and all relevant information/documents shall be furnished by the Borrower, Guarantor, Mortgagor at the satisfaction of the Lender; notwithstanding if the Borrower, Guarantor, Mortgagor and Lender mutually agree to extend the timeline for further period, parties shall be bound by such extended period.
- c. The BORROWER, Co- BORROWER, and GUARANTOR hereby irrevocably agree and consent with the LENDER that BORROWER, Co- BORROWER, and GUARANTOR shall visit the nearest E-Seva office /RTO office for availing the Hypothecation removal wherever required and the Lender shall have no obligation once the NOC/ NDC is released upon the satisfaction of all the dues of the Lender

21. Arbitration:

All disputes, differences and / or claim arising out of these presents or in any way touching or concerning the same or as to constructions, meaning or effect hereof or as to the rights and liabilities of the parties hereunder shall be settled by arbitration to be held in accordance with the provisions of the Arbitration and Conciliation Act, 1996 or any statutory amendments thereof and shall be referred to the arbitration of a sole arbitrator to be nominated by the LENDER. In the event of death, refusal, neglect, inability or incapability of a person so appointed to act as an arbitrator, the LENDER may appoint a new arbitrator. The award of the arbitrator shall be final and binding on all parties concerned. The arbitration proceedings shall be conducted in English language and held at the place more particularly mentioned in the **SCHEDULE- I** of the present agreement hereunder.

22. Jurisdiction:

It is further agreed by and between the parties hereto that subject to Clause 31 of this Agreement, the courts having jurisdiction over the arbitration proceeding under the Arbitration and Conciliation Act, 1996 or any statutory amendments thereof shall have jurisdiction in respect of any matter, claims or dispute arising out of or in any way relating to these presents or to anything to be done under or pursuant to these presents or of any clause or provision thereof.

23. GRIEVANCE REDRESSAL

The Lender is committed to resolve the queries / issues from the Borrower within stipulated timelines. The Borrower may call our toll free customer care number 1800 209 5732 between Monday to Saturday, 9.30 am to 6.30 pm, excluding holidays or write to the Grievance Redressal officer at <<grievancekmp@kotak.com>>. For details of the grievance Redressal process followed by the lender, please visit <https://primeloans.kotak.com/grievanceRedressal.htm>

24. Acceptance:

- a. I / We am / are aware that the **LENDER** shall agree to become a party to this agreement only after satisfying itself with regard to all conditions and details filled by me / us in the agreement in consonance with the **LENDER's** policy.
- b. I / We agree that this agreement shall be concluded and become legally binding on the date when the authorised officer of the **LENDER** signing this agreement at the city wherein the **LENDER's** branch which is party to this agreement is situated.
- a) I/we am/are also aware and consent to Lender to change of last EMI or Change in Tenure so as to maintain the Interest rate as mentioned in Agreement based on actual disbursement date and/or EMI repayment date. I/We agree that this Agreement shall be concluded and become legally binding on the date when the authorized officer of the **LENDER** signing this agreement at the city wherein the **LENDER's** branch which is party to this agreement is situated.

25. The content/s of this MITC have been read out, explained and interpreted to the **BORROWER / Co- BORROWER /GUARANTOR** in the language known to the **BORROWER / Co- BORROWER / GUARANTOR** and the same has been understood by the **BORROWER, Co- BORROWER** and the **GUARANTOR**.

Schedule - I

Agreement details

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Customer Details

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Loan details

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Interest parameters

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SCHEDULE II

Agreement details

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Product details

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Cash Flows details

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SCHEDULE - III

Penal Charges for Car Finance, Two Wheeler and Top Up loans	
Dishonor Charges per Clearing Mandate	Rs.750/-
Delayed Payment / Late Payment Charges on overdue	18% P.A
Service Charges for Car Finance, Two Wheeler and Top Up loans	
Prepayment charges on outstanding Principal Amount	Flat 5.21%
Issue of Duplicate copy of the agreement/Duplicate NOC /NOC for Duplicate registration certificate	RS.885/- Per request
Cancellation of Contract (other than foreclosure and prepayment charges) at specific request of the Borrower and agreed by the Lender	Rs.2000/- + Interest calculated at Customer ROI for number of days between the date of disbursement and the date of receipt of funds, at specific request from customer for cancellation of contract.
Collection Charges for Clearing Mandate (per mandate)	At Actuals
Clearing Mandate swap Charges	Rs.500/- per swap
Repayment Schedule/Account Outstanding Break up statement	Rs.885 per request
Statement of Account (Physical)	Rs.885 per request
LPG/ CNG NOC	RS 885/-
NOC for Interstate Transfer	RS 885/-
NOC for commercial to personal use	RS 885/-
NOC to covert from Private to Commercial	RS 885/-
Legal / Collections / Incidental Charges	At Actuals
Repossession Charges	At Actuals
Amalgamation / Transfer of Equity	3% or RS 3000/- whichever is higher
Policy no. of term cover for group of borrower (Kotak vehicle loan cover)	GS000111 for 1 year tenure CD000072 for 2 to 5 years tenure.
Down Payment	KMPL/Dealer
Margin money retained	

Place of Delivery of the Product	
Documentation charges**	
Credit Administration Charges**	
Stamping Charges**	
Evaluation Charges**	
RTO Charges**	
Risk Containment Unit Charges**	
Service Fees**	
NACH/Bank Charges**	
Advance Instalment (If Applicable)**	
Customer Rate of Interest (P.a)	
Date of Good Health Declaration	
Kotak loan Insurance Cover premium (if any) along with applicable taxes	
Kotak Group Insurance - Hospi Cash Premium (if any) along with applicable taxes	
Kotak Group Insurance - Smart Health Plan - EMI Cover (if any) along with applicable taxes	
Any Other (If Applicable)	

** These charges will be collected upfront at the time of disbursement.

Note:

1. Goods & Services Tax (GST) and any other tax will be levied separately as may be applicable from time to time
2. Changes in the charges from time to time are updated on Kotak Prime Website, please visit www.primeloans.kotak.com under fees and charges

3. For details of interest gradation approach, please visit [www.primeloans.kotak.com](http://www.primeloans.kotak.com/policies.htm) /policies.htm
4. Penal Charges in accordance with RBI circular DoR.MCS.REC.61/01.01.001/2023-24 dated December 29, 2023 on Fair Lending Practice - Penal Charges on Loan Accounts.

