
LOAN AGREEMENT (TRADE ADVANCE)

This **LOAN AGREEMENT (TRADE ADVANCE)** is made on the date and at the place mentioned in the Schedule hereunder this agreement.

BETWEEN

“The Borrower” whose name, address and description are mentioned in the Schedule hereunder this agreement of the **ONE PART**.

AND

IDFC FIRST BANK LIMITED, a company registered under the Companies Act, 2013 and a banking company within the meaning of Banking Regulation Act, 1949 having its Registered Office at KRM Tower, 7th Floor, No: 1, Harrington Road, Chetpet, Chennai - 600031 (hereinafter referred to as **“the Lender”** or **“the Bank”** which expression shall unless repugnant to the context or meaning thereof be deemed to include its successors and assigns) of the **OTHER PART**.

WHEREAS:

- A. The Borrower is in the business of selling various products manufactured by different manufacturers.
- B. The Borrower has approached the Bank for a revolving facility for the purpose of part-financing its working capital requirement and at the request of the Borrower, the Bank sanctioned to the Borrower a short term working Capital Loan Facility in the form of Trade Advance/Inventory Funding Loan (hereinafter referred to as **“the Facility or the Loan”**) details of which are mentioned in the Schedule of this agreement for the purpose of meeting short term working capital requirements for procuring the Stocks from the Manufacturers.

NOW, THEREFORE, IT IS AGREED AS FOLLOWS: -

ARTICLE 1
Definitions

- I. **“Applicable Law”** shall mean any statute, law, regulation, ordinance, rule, judgment, order, decree, by-law, clearance, directive, guideline, policy, requirement, other governmental restrictions or any other similar form of decision of, or determination or any interpretation or administration having the force of law or any of the foregoing, by any court or any Government Authority having jurisdiction over the matter in question, whether in effect as of the date of this Loan Agreement or thereafter,
- II. **“Due Date”** shall mean the date on which the Facility or any part thereof falls due for payment by the Dealers to the Bank, as mentioned herein or in any other document executed / exchanged between the Bank and the Dealer.

- III. **“Debit Mandate”** shall mean the mandate given by the Dealers in the prescribed format authorizing the Bank to debit the Designated Account based on the information provided by the AMD.
- IV. **“Designated Account”** shall mean the cash credit account, or such other account opened/required to be opened by the Dealer with the Bank for the purpose of this Facility.
- V. **“Original Equipment Manufacturer (OEM)”** shall mean a company that produces equipment and vehicles.
- VI. **Dues** shall mean the principal/interest/any charges levied on the loan account which are payable within the period stipulated as per the terms of sanction of the credit facility.
- VII. **Overdue** shall mean the principal/Interest/any charges levied on the loan account which are payable but have not been paid within the period stipulated as per the terms of sanction of the credit facility. In other words, any amount due to the bank under any credit facility is ‘overdue’ if it is not paid on the due date fixed by the bank.
- VIII. **Non-Performing Asset (NPA)** - is a loan or an advance where interest and /or instalment of principal remains overdue for a period of more than 90 days in respect of a term loan.
- IX. **“First In First Out” (FIFO)** - The relevance of ‘First in First Out’(FIFO) is in appropriation of payments into the borrower account; The Principle of FIFO i.e., ‘First in First Out accounting method is relevant to arrive at the No of days of overdue for determining the SMA/NPA status. The FIFO principle assumes that the oldest outstanding dues in the loan account needs to be cleared first. The FIFO method thus requires that what is due first must be paid by the borrower first.
- For example: - If in any loan account as on 01.02.2021 there are no overdues and an amount of Rs. X is due for payment towards principal instalment/interest/charges any payment being credited on or after 01.02.2021 in the loan account will be used to pay off the dues outstanding on 01.02.2021. Assuming that nothing is paid/or there is partial payment (Rs Y) of dues during the month of February, the overdue as on 01.03.2021 will be Rs. X-Y.
- Additionally, an amount of Rs Z becomes due as on 01.03.2021. Now any payment partial payment into the account on or after 01.03.2021 will be first utilized to pay off the partial due of 01.02.2021(Rs X- Rs Y). If there is more recovery than the Rs. X- Rs. Y then after recovering dues of 01.02.2021, the remaining amount will be treated as recovery towards due of 01.03.2021.
- X. **Age of Oldest Dues** – The age of oldest dues is reckoned in days from the date on which the oldest payment is due and continues to remain unpaid. In the aforesaid illustration, if the Dues relating to 1st February 2021 remain unpaid till 01.03.2021, the age of the oldest dues is reckoned as 29 days on 02.03.2021.
- XI. **Classification as Special Mention Account (SMA) and Non-Performing Asset (NPA)**
Lending institutions will recognize the incipient stress in loan accounts, immediately on Default, by classifying them as Special Mention Accounts (SMA) The basis of classification of SMA /NPA Category shall be as follows:

Loans other than revolving facilities	Loans in the nature of revolving facilities like cash credit/overdraft
---------------------------------------	--

SMA Subcategories	Basis for classification – Principal or interest payment or any other amount wholly or partly overdue	SMA Sub-categories	Basis for classification – Outstanding balance remains continuously in excess of the sanctioned limit or drawing power, whichever is lower, for a period of:
SMA-0		Up to 30 days	
SMA-1	More than 30 days and up to 60 days	SMA-1	More than 30 days and up to 60 days
SMA-2	More than 60 days and up to 90 days	SMA-2	More than 60 days and up to 90 days

XII. Out of Order – An account shall be treated as “out of order” if

- i. the outstanding balance in the CC/OD account remains continuously in excess of the sanctioned limit /drawing power for 90 days or
- ii. the outstanding balance in the CC/OD account is less than the sanctioned limit/drawing power but there are no credits continuously for 90 days or the outstanding balance in the CC/OD account is less than the sanctioned limit/drawing power, but credits are not enough to cover the interest debited during the previous 90 days period.

Illustrative movement of an account to SMA category to NPA category based on delay/non-payment of dues and subsequent upgradation to Standard category at day end process:

Due date of payment	Payment Date	Payment covers	Age of oldest dues in days	SMA / NPA Categorisation	SMA since Date /SMA class date	categorization	NPA Date
01 .01.2022	01 .01.2022	Entire dues up to 01 .01 .2022		NIL			
01 .02.2022	01 .02.2022	Partly paid dues of 01 .02.2022	1	SMA-O	01 .02.2022		
01.02.2022	02.02.2022	Partly paid dues of 01 .02.2022	2	SMA-O	01 .02.2022		NA

01 .03.2022		Dues of 01.02.2022 not fully paid. 01.03.2022 is also due at EOD. 01 .03.2022	29	SMA-O	01 .02.2022		
		Dues of 01.02.2022 fully paid, Due for 01.03.2022 not paid at EOD. 01.03.2022	1	SMA-O	01 .03.2022		
		No payment of full dues of 01.02.2022 and 01.03.2022 at EOD 03.03.2022	31	SMA- 1	01 .02.2022 03.03.2022		

		Dues of 01.02.2022 fully paid, Due for 01.03.2022 not fully paid at EOD 1.03.2022	1	SMA-O	01 .03.2022		
01 .04.2022		No payment of dues of 01 .02.2022 ,01 .03.2022 and amount due on 01.4.2022 at EOD 01 .04.2022	60	SMA 1	01 .02.2022 03.03.2022		

		No payment of dues of 01.02.2022 till 01.04.22 at EOD 02.04.2022	61	SMA 2	01 .02.2022 /02.04.2022		
01 .05.2022		No payment of dues of 01 .02.2022 till 01.05.22 at EOD 01 .05.2022	90	SMA 2	01 .02.2022 /02.04.2022		
		No payment of dues of 01.02.2022 till 01.05.2022 at EOD 02.05.2022	91	NPA		NPA	02.05.2022
01.06.2022	01.06.2022	Fully Paid dues of 01.02.2022 at EOD 01 .06.2022	93	NPA	NA		02.05.2022
01.07.2022	07.2022	Paid entire dues of 01 .03.2022 & 01.04.2022 at EOD	62	NPA	NA	NPA	02.05.2022
		01 .07.2022					
01 .08.2022	01 .08.2022	Paid entire dues of 01 .05.2022 & 01.06.2022 at EOD 01 .08.2022	32			NPA	02.05.2022
01 .09.2022	01 .09.2022	Paid entire dues of 01 .07.2022 & 01.08.2022 at EOD 01 .09.2022	1				02.05.2022

01.10.2022	01 ,10.2022	Paid entire dues of 01.09.2022 & 01 .10.2022	0	Standard Account with No Overdues			STD from 01 .10,2 022
------------	-------------	--	---	--	--	--	-----------------------------

Note- Examples are illustrative and not exhaustive in nature covering common scenarios and that the IRACP norms and clarifications provided by RBI on the subject will prevail.

XIII. Amortization Schedule/Repayment Schedule

The Amortization Schedule shall be provided separately after the disbursement of loan and shall consist of details pertaining to exact due dates for repayment of loan, breakup between principal and interest, in case of loan facilities with moratorium on payment of principal and or interest, the exact date of commencement of repayment etc., shall also be specified in the said amortization schedule.

ARTICLE 2

BORROWER'S REPRESENTATIONS, WARRANTIES AND UNDERTAKINGS

- A. The Borrower's Application made to the Bank and the subsequent correspondence (hereinafter collectively referred to as "**the Borrower's Proposals**") shall be deemed to constitute the basis of this Agreement and the Loan as hereinafter stated, and the Borrower hereby warrants the correctness of each, and every statement and particulars therein contained and undertakes to carry out the particulars therein contained and undertakes to carry out the Borrower's proposals therein set forth.
- B. The Borrower hereby declares and confirms that the Loan shall be governed by the terms and conditions of the Letter of sanction and this agreement. If there is any inconsistency between this agreement and the sanction letter, the sanction letter shall prevail over this agreement to the extent of that inconsistency.
- C. The Bank agrees to grant, and the Borrower agrees to avail from the Bank the Facility (details of which are mentioned in the Schedule hereunder this agreement)) to be utilised as short-term working capital for purchasing of the Stock from the Manufacturer. The Facility may be increased or decreased by the Bank at its sole and absolute discretion from time to time.
- D. The Borrower shall ensure to maintain a margin as stipulated in the Schedule of this agreement.

ARTICLE 3

INTEREST

- A. The Borrower undertakes to pay to the Bank interest on the Facility at the rate specified in **the Schedule** hereunder. The above would be subject to change from time to time in accordance with the changes in the Base rate/MCLR (and/or any other benchmark rate applicable to the Bank) / spreads announced by the Bank and Reserve Bank of India directives/ policy guidelines of the Bank.
- B. The Borrower further undertakes to pay interest payable/monthly rests during the currency of the Loan in such manner as may be specified by the Bank to the Borrower.
- C. All interest which shall during the continuance of this Agreement accrue due on the Loan or any part thereof and for the time being remaining unpaid, and all other monies which have become payable under this Agreement shall, in case the same be not paid on the dates on which they become due, carry further interest at the rate as provided in the Schedule hereunder

this Agreement, interest payable by the Borrower for the period of default, shall become payable.

- D. The Bank reserves the rights to revise the interest rates in case of downgrading of Credit Risk Rating of the Borrower or for any other reason as per the discretion of the Bank.
- E. In the event of any adverse change in the Credit Risk Rating of the Borrower, non-compliance of the terms and conditions of sanction or any other adverse changes in the business of the Borrower/change in the policy guidelines of the Bank/RBI directions, Bank reserves the rights to revise the rate of interest.
- F. Borrower shall be liable to pay the Interest on outstanding loan balance for the duration it remains outstanding. Further, such Interest calculation shall commence from the actual date of disbursement of the said loan. In the event of disbursement through cheque, Interest shall be calculated from the date of handover of the cheque.

ARTICLE 4

TERMS OF DISBURSEMENT

- A. The Bank shall, subject to provision of this agreement and sanction letter and unless agreed between the Borrower and the Bank otherwise, disburse the Loan in in one or more tranches by issuing a Banker's Payment Order or a Demand Draft crossed as "A/c Payee Only" or National Electronic Fund Transfer or Real Time Gross Settlement System:
 - I. On the name of Manufacturer or a vendor towards payment of Purchase of Goods or inventory or the vehicles.
 - II. In the name of Borrower.
- B. The Bank shall disburse the facility upon receipt of request from the Borrower as per Annexure A of this agreement subject to the aggregate facility mentioned in the Schedule hereunder this agreement. However, the Bank can cancel/discontinue the Facility at any point of time with or without notice and any reason.
- C. The disbursement made to the Manufacturer shall be deemed to be a disbursement made to the Borrower under this Agreement. The Borrower agrees and acknowledges that the receipt issued by the Manufacturer shall be deemed to be issued by the Borrower and shall be an effectual receipt and discharge by the Borrower in favour of the Bank.
- D. The Borrower shall forward to the Bank a Quarterly advice detailing the inventory of the Stock sold to the purchasers, the amounts received thereon and the amount remaining unutilised under the Facility.
- E. The Borrower hereby undertakes to furnish the Bank such information and data as may be required by the Bank from time to time to assess and satisfy the end utilization of the loan.
- F. The Borrower can avail this revolving facility by tranches at any number of times from the date of sanction letter unless it is cancelled by the Bank. However, at any point of time the aggregate loan amount of all the tranches of Loans together shall not be more than the Facility amount mentioned in Schedule of this agreement. Borrower may use the Revolving Loan by borrowing, prepaying, and reborrowing the Available Amount, in whole or in part.
- G. The first Disbursement under the Facility has to be availed by the Borrower within Six months from the date of sanction and if no amount is availed before this date, the sanction will automatically lapse, and the Bank reserves its rights to take any action at its sole and absolute discretion including cancellation of the Loan.

- H. Notwithstanding what is stated hereinabove, the Borrower hereby agrees that the loan is sanctioned by the Bank on the clear understanding that the Bank hereby reserves its rights to alter/modify the terms and conditions of the sanction of the loan agreement.
- I. The Borrower understands, acknowledges, and agrees that the Facilities are uncommitted facilities, are recallable by IDFC FIRST Bank at any time and may be cancelled and repudiated in part or in entirety by IDFC FIRST Bank at any time without notice and without giving any reason. Sanction or part disbursement of the facility should not be construed as giving rise to binding obligations on the part of IDFC FIRST Bank to provide the facility mentioned aforesaid. The Facility mentioned aforesaid will be available solely at IDFC FIRST Bank's discretion and IDFC FIRST Bank will not be liable for any action taken by the borrower based on this sanctioned facility.

ARTICLE 5

CONDITIONS PRECEDENT TO THE DISBURSEMENT/DRAWDOWN

- A. Notwithstanding anything to the contrary contained herein the Bank shall not be obliged to disburse the Loan unless and until the Borrower fully complies with terms and conditions of sanction letter and also the following preconditions:
 - i. Borrower shall give unconditional acceptance of terms and conditions as per letter of sanction, which shall form part of documentation and be placed on Lender records. Any contravention of terms and conditions shall trigger the penal charge and or recall clause at the option of the Lender.
 - ii. Payment of stipulated upfront fees
 - iii. Legal audit, if required, will be conducted before disbursement of the loan and irregularities, if any are to be rectified.
 - iv. Confidential opinion on the Borrowers from the existing Lenders/Lenders along with over dues if any shall be obtained and acceptable to the Lender.
 - v. The Borrower will execute all financial and security documents and such other documents as advised by the Lender.

ARTICLE 6

REPAYMENT

- A. The Borrower shall repay each tranche of the Loan with applicable interest and other charges as stipulated by the Bank at the time of disbursing each tranche of Loan or immediately on sale of goods/vehicle or as may be decided by the Bank from time to time.
- B. The Bank shall be at liberty to specify different dates for repayment of the Loan amount or for any part of the Loan and the Borrower undertakes to pay the same accordingly. In the event of any default in the payment of principal or interest, the postponement, if any, allowed by the Bank (the Bank shall be entitled at their absolute discretion to refuse or allow) penal charge shall be payable by the Borrower as provided in the Schedule of this Agreement or as may be decided by the Bank from time to time.
- C. The Borrower hereby undertakes to make good any shortfall in the cash flow/surplus due to not achieving projected level of operations or inadequate cash generations or for any other reasons from their own sources to meet the repayment obligations to the Bank.

- D. The Bank is entitled to adjust disbursement of loan of its retail customers who are purchasing vehicles or Goods from the Borrower against outstanding amount of the Borrowers.
- E. The Borrower shall pay to the Bank, processing charges, upfront fees documentation charges, commitment charges, inspection charges to the Bank and other charges as provided on the Letter of Sanction or and as may be decided/fixed by the Bank from time to time.
- F. Borrower is aware that penal charges mean the charges which the Bank shall impose upon the borrower for non-compliance of loan terms and conditions by the borrower. Said charges shall be over and above the applicable charges and interest rates as specified in the Schedule of Charges/Key Fact Statement and the same may be amended from time to time by the Bank. It is further specified that penal charges as set out in the schedule are without prejudice to the Bank's right to recall the entire loan or to initiate any recovery action.

ARTICLE 7 TAXES, LEVIS AND DUTIES

All interest, fees, charges, commission, discount as described hereinabove shall be paid net of all taxes, levies, and duties etc. and any taxes, levies, and duties payable shall be paid by the Borrower, in addition thereto.

ARTICLE 8 APPROPRIATION OF PAYMENTS

The Borrower agrees, declares and confirms that, notwithstanding any of the provisions of the Indian Contract Act, 1872 or any other Law, or any terms and conditions to the contrary contained herein, the Bank may, at its absolute discretion, appropriate any payments made by the Borrower under this Terms and Conditions or otherwise, towards the dues payable by the Borrower to the Bank under this Terms and Conditions and/or other agreements entered into between the Borrower and the Bank and in any manner whatsoever.

ARTICLE 9 SECURITIES FOR THE LOAN

- A. The Borrower shall furnish such Security and/or guarantees as may be required by the Bank in the terms and manner as satisfactory to the Bank for securing said loan amount together with all interest, costs, charges, expenses, and other moneys whatsoever stipulated in this agreement or sanction letter.
- B. If the Bank is of the opinion that, at any time during the subsistence of the Agreement, the security provided by the Borrower has become inadequate to cover the balance of the Loan and any interest and other charges relating thereto then outstanding, then upon Bank advising the Borrower to that effect, the Borrower shall provide and furnish to the Satisfaction of the Bank such additional security as may be acceptable to the Bank to cover such deficiency. If the Borrower fails to provide such additional securities, then, in such event, the Borrower shall reduce its indebtedness to the Bank in such a manner and to such extent as may be desired by the Bank.

ARTICLE 10

BORROWER'S WARRANTIES AND REPRESENTATIONS

Save and except to the extent already disclosed in writing by the Borrower to the Bank the Borrower hereby warrants and undertakes as follows.

- A. The Loan Application of the Borrower to the Bank contains an accurate details of the Borrower's program for financing and executing it, except as approved by the Bank immediately prior to the execution of this Agreement, and the information furnished by the Borrower to the Bank from time to time is true and correct and shall be deemed to form a part of the representations and warranties on the basis of which the Bank has sanctioned the Loan and the terms and conditions on which Bank has sanctioned the loan shall also be deemed to form part of this Agreement.
- B. Subsequent to the loan application to the Bank, the Borrower has not made any material changes in the details provided in the loan application, the line of activity, the management set-up, scheme of finance except as approved by the Lender from time to time, immediately prior to the execution of this Agreement.
- C. No suit is pending in any court of law in respect of the security offered or to be offered to the Bank nor has the Borrower been served with any notice for infringing the provisions of any Municipal Act or any Act relating to local bodies or Gram Panchayats or with any other process under any of these Acts.
- D. The Borrower has filed all tax returns which are required to be filed and has paid all public demands such as Income Tax, Corporation Tax and all other taxes and revenues and any other statutory dues payable to the Central or State Government or to any local or other authority and that at present no arrears of any taxes, revenues and dues are due and outstanding except for those demands which are in dispute and are subject to appellate proceedings.
- E. The Borrower has obtained and produced where applicable or undertakes to obtain and produce relevant licenses and approvals and undertakes that the Licenses and approvals shall be kept valid to the satisfaction of the Bank.
- F. The Borrower states and confirms that the Loan is within the Borrowing limits of the Borrower and that no permission or approvals save those already obtained by the Borrower have to be obtained in order to borrow the Loan from the Bank.
- G. Borrower agrees that if he/ she avails any loan from the Bank then the PDC/SI/ ECS/NACH mandates issued under the said loan shall continue and remain in force till such time all other dues under the Loan Agreement and in respect of all other loan/facility obtained/to be obtained by the Borrower from the Bank/group companies are fully discharged and the Bank and/or its affiliates issue a certificate of discharge. The PDC/SI/ECS/NACH mandate issued under any Loan Agreement and the liability of the Borrower shall not be affected impaired or discharged. The Borrower covenants that the PDC/SI/ECS/NACH provided by the Borrower shall remain valid for the balance due to the Bank, or any other financial benefits obtained by the Borrower from any of the affiliates of the Bank.

- H. The Borrower is not in default under any indenture, mortgage, deed of trust, agreement, or other instrument to which it is a party or by which it may be bound. Neither the execution of this Agreement, or any of the instruments and documents to be delivered pursuant to this Agreement, nor the consummation of the transactions herein and therein contemplated, nor compliance with the provisions hereof or thereof will violate any law or regulation, or any order or decree of any court of governmental instrumentality, or will conflict with or result in the breach of, or constitute a default under any indenture, mortgage, deed of trust, agreement or other instrument to which the Company is a party or by which it may be bound or result in the creation or imposition of any lien, charge, or encumbrance upon any property of the Borrower thereunder, or violate any provision of the Articles or Memorandum of Association of the Borrower.
- I. The Borrower is not a party to any agreements or instruments or subject to any restriction materially and adversely affecting its operations, business, properties, or financial condition.
- J. The information furnished by the Borrower in connection with this Agreement or pursuant hereto or in any other Agreement, deed or writing executed between the Borrower and Bank does not contain and will not contain any untrue statement and does not fail and will not fail to state any fact, the failure of which make or will make the statements (herein or therein) in the light of circumstances under which they are made, misleading and all impressions of expectation, intentions belief and information contained herein and to be contained therein, have been and will be honestly made on reasonable grounds after due and careful inquiry by the Borrower.
- K. Neither the Borrower or their Directors or Partner, their associates/group concerns, and the Guarantor figure in any list of “Wilful Defaulters” circulated by the Reserve Bank of India or any Lender and Financial Institution or the caution list issued by Reserve Bank of India/Export Credit Guarantee Corporation /Director General of Foreign Trade etc.
- L. The Bank may, at its discretion, award a mandate to an auditor of its choosing (including the Borrower’s auditor) for the purpose of monitoring end use of the Facility and obtaining a certificate from the auditor regarding diversion/siphoning of funds by the Borrower.
- M. The Borrower shall whenever be required by the Bank submit statement of annual income certificate and audited by a practicing-chartered accountant along with a copy of tax returns filed with the income tax authorities duly certified by such chartered accountant and such other information/documents concerning trade, business, or otherwise as bank may require from time to time.
- N. The Borrower shall not, in case the Borrower being a partnership firm, change the composition of its partners.
- O. The Borrower hereby declares that: (i) all the Borrower’s contracts or agreements with, or any commitments to, any affiliates or group companies (if applicable) are on arms’ length basis; (ii) (a) where the Borrower is an individual, he/ she is not a director or specified near relation of a director of a banking company; (b) where the Borrower is a partnership firm/HUF/limited liability partnership firm, none of the partners or members of the HUF is a director or specified near relation of a director of a banking company; and (c) where the Borrower is a joint stock company, none of its directors, is a director or specified near relation of a director of a banking

company; (iii)(a) where the Borrower is an individual, that he/ she is not a specified near relation to any senior officer of the Bank, (b) where the Borrower is a partnership firm/HUF/ limited liability partnership firm, none of the partners or members of the HUF, is a specified near relation of any senior officer of the Bank, and (c) where the Borrower is a joint stock company, none of its directors, is a specified near relation of any senior officer of the Bank. The Borrower agrees that the bank has an unconditional right to revoke and/or recall the entire loan facility if the disclosure as mentioned in this clause is found to be false.

- P. I hereby provide the consent to bank to pull my KYC details from CERSAI & PAN details from NSDL as and when required by the Bank for the compliance.
- Q. The Borrower undertakes and declares that if there are any changes in the particulars and information given by him/her while availing the Loan facility, he/she shall within 30 days from the date of any such change in the particulars and information shall disclose the details of such changes to the Bank without withholding the same.

ARTICLE 11 COVENANTS AND TERMS TO APPLY DURING THE CURRENCY OF THIS AGREEMENT

- A. The Borrower hereby agrees that until the Loan or any interest thereon or any cost, charges, expenses, or any other monies remains payable hereunder by the Borrower to the Bank, the Borrower shall:
- I. At all times abide by and comply with the terms and conditions of sanction letter of the Bank.
 - II. Repay the amount of Loans if any to the other Lenders/ Financial Institutions with due diligence and efficiency and in accordance with sound financial and business practices.
 - III. Use the proceeds of the Loans shall be as defined in the sanction letter. The Borrower further undertakes not to invest the loan proceeds in shares, stock markets operations, purchase of lands/immovable property or for any other speculative activities or sensitive activities. The Borrower authorizes the Bank to issue mandate/direction to the Borrower's auditor to certify non-diversion/siphoning of funds out of loans facilities availed by the Borrower's. Borrower also authorizes the Bank to issue mandate/directions to Borrower's auditors also to certify extent/amount of diversion/siphoning of funds out of loan facilities availed by the Borrower. The Borrower undertakes to authorize the Borrowers' auditors to provide such certificate as required by the Bank at Borrower's cost.
 - IV. Promptly inform the Bank of the happening of any events likely to have an adverse effect on the Borrower's business or their profits or business with an explanation or the reason therefore and corrective steps taken.
 - V. Maintain at all times true and complete books, records, and accounts in which true and correct entries shall be made of its transactions in accordance with generally accepted accounting principles consistently applied and consistent with those applied in the preparation of its financial statements, and.
 - VI. By means of appropriate quarterly entries, reflect in its accounts and in all financial statements furnished to the Bank pursuant hereto proper liabilities and reserves for all taxes and proper reserves for depreciation, renewals and replacements, obsolescence and

- amortization of its properties and bad debts all in accordance with generally accepted accounting principles consistently applied, as above described.
- VII. At its cost and expense, upon request of the Bank duly execute and deliver to the Bank such further instruments and do and cause to be done such further acts as may be necessary or proper in the opinion of the Bank to carry out more effectually the provisions and purposes of this Agreement and the security created or to be created pursuant hereto.
- VIII. reimburse to the Bank on demand for all costs incurred and reductions in amounts received or receivable, as determined by the Bank which are attributable to the Loan or any part of it or to the performance by the Bank of its obligations under this Agreement and which occur by reason of the promulgation of any law, regulation or treaty or any change therein or in the interpretation thereof or by reason of compliance by the Bank with any direction, requirement or request (whether or not having the force of law) of any Governmental authority, including without limitation any such costs or reduction resulting from the imposition or amendment of any tax or the imposition or amendment of any reserve, special deposit, or similar requirements against the assets of, liabilities of, deposits with or for the account of, or Loans by the Bank.
- IX. duly pay and discharge, (a) all taxes, assessments and governmental charges upon or against the Borrower or its properties or assets prior to the date on which penalties attach thereto, and (b) all lawful claims, whether for tort damages, labour, materials, supplies, services, repairs, wages or otherwise, which might or could if unpaid become a lien or charge upon the properties or assets of the Borrower.
- X. pay all costs, and expenses in anyway incurred by the Bank including travelling and other allowances and such additional stamp duty, to pay duties, taxes, charges and other penalties if and when the Borrower is required to pay according to the laws for the time being in force in the State in which its properties are situated or otherwise and the Borrower shall also pay any stamp duty, additional stamp duty, penalty, fine, registration charges and all other costs, charges and expenses incurred or payable in the event any document relating to the security created or to be created.
- XI. In the event of the Borrower failing to pay the monies referred above, Borrower shall forthwith on receipt of a notice of demand from the Bank reimburse them all sums so paid by them and until such reimbursement by the Borrower, the same shall be debited to the Borrower's loan account and shall stand secured under the security created/to be created.
- XII. upon notice from the Bank pay or reimburse to the Bank all legal charges, costs and expenses in any way incurred by the Bank for the preservation/protection of the assets of the Borrower or the interest of the Bank in connection with or relating to this transaction including cost of investigation title, searches, travelling allowances, drafting, stamping and registration of the documents. For the aforesaid purpose, the Borrower shall deposit with the Bank, on account, such amount and within such period as may be required by the Bank.

ARTICLE 12

EVENT AND CONSEQUENCES OF DEFAULT

- A. The Bank may by a written notice to the Borrower, declare all sums outstanding under the Loan (including the principal, interest, charges, expenses) to become due and payable forthwith,

increase the rate of interest and enforce the Security upon the occurrence (in the sole decision of the Bank) of any one or more of the following:

- I. The Borrower fails to pay to the Bank any amount when due and payable under these Terms and Conditions.
- II. If the Borrower fails to submit the requisite number of PDCs/undated cheques/standard instructions/NACH/UPI mandate or if any of the PDC undated cheques/standard instructions/NACH/UPI mandates dishonoured.
- III. The Borrower fails to pay to any person other than the Bank any amount when due and payable or any person other than the Bank demands repayment of the Loan or dues or liability of the Borrower to such person ahead of its repayment terms as previously agreed between such person and the Borrower.
- IV. The Borrower defaults in performing any of his obligations under these Terms and Conditions or breaches any of the terms or conditions of these Terms and Conditions or any other security documents, undertakings etc. executed in favour of the Bank.
- V. The Borrower opts to resign or retires from the employment prior to the age of superannuation or is discharged or removed from employment / service before such date for any reason whatsoever.
- VI. The death, insolvency, failure in business, commission of an act of bankruptcy or winding-up, general assignment for the benefit of creditors, if the Borrower suspends payment to any creditors or threatens to do so, filing of any petition in bankruptcy by or against the Borrower.
- VII. In case of the property/asset being held jointly, if a civil or criminal litigation is initiated by the one of the owners of the property/asset against the other owner of the property/asset including but not limited to initiation of divorce proceedings between the owners of the property/asset.
- VIII. Any of the information provided by the Borrower to avail the Loan or any of his representations, warranties etc. herein being found to be or becoming incorrect or untrue.
- IX. Any person other than the Bank commencing proceedings to declare the Borrower insolvent or if the Borrower shall become bankrupt or insolvent or commit act of insolvency.
- X. If the Borrower fails to create the security as provided herein including but not limited to failure to submit the original documentation related to the property or if the property is destroyed, sold, disposed of, charged, encumbered, alienated, attached or restrained in any manner or if the value of the property or any security created or tendered by the Borrower, in the sole discretion and decision of the Bank, depreciates entitling the Bank to call for further security and the Borrower fails to give additional security.
- XI. An event of default howsoever described (or any event which with the giving of notice, lapse of time, determination of materiality or fulfilment of any other applicable condition or any combination of the foregoing would constitute an event of default) occurs under any other agreement or document relating to any indebtedness of the Borrower with the Bank

or if, any other lenders of the Borrower including financial institutions or banks with whom the Borrower has entered into agreements for financial assistance or any part thereof.

- XII. Any other event, which in the Bank's sole opinion is likely to have materially adverse effect on the ability of the Borrower to make payments under these Terms and Conditions. The decision of the Bank as to whether or not an event of default has occurred shall be final and binding upon the Borrower.
- XIII. If any consent, authorisation, approval or license of or registration with or declaration to governmental or public registration with or declaration to governmental or public bodies or authorities required by the Borrower in connection with the execution, delivery, validity, enforceability or admissibility in evidence of these Terms and Conditions or the performance by the Borrower of its obligations hereunder is modified in a manner unacceptable to the Bank or is not granted or revoked or terminated or expires and is not renewed or otherwise ceases to be in full force and effect.
- XIV. If the Borrower fails to adhere and/or breaches any applicable laws, regulations in connection with this Agreement.
- XV. Any other event likely to have materially adverse effect on the ability of the Borrower to make payments under this Agreement.

Material Adverse Effect" shall mean the consequence of any event or circumstance which in the sole opinion of the Bank is or is likely to be:

- i. adverse to the ability of the Borrower or its Affiliates to perform or comply with its obligations under this Agreement and/or the other Transaction Documents; or
- ii. prejudicial to the businesses, operations or financial condition, properties, assets or prospects of the Borrower or its Affiliates.

B. In the event of any default as mentioned in Clause A above, the Bank shall have the right to:

- I. to communicate in any manner, it may deem fit, to or with any person or persons including guarantors, person giving reference to loan, with a view to procure assistance of such person or persons in recovering the defaulted amounts including but not limited to visiting the property and/or any place of work of the Borrower.
- II. Cancel/Suspend/Withdraw/Recall the entire Loan and/or tranches and declare all monies outstanding under this Agreement to be due and immediately payable.
- III. Take possession of the Security so created whether by itself or through any of the recovery agents or attorneys as may be appointed by the Bank and alienate sell, transfer the same.
- IV. To communicate in any manner it may deem fit, to or with any person or persons including guarantors, person giving reference to loan, with a view to procure assistance of such person or persons in recovering the defaulted amounts including but not limited to visiting the Property and/or any place of work of the Borrower.
- V. Take any other action as it may deem fit for recovery of its dues and enforcement of the Securities.

- VI. The Bank shall be entitled to take possession of the Property, irrespective of whether the Loan has been recalled whenever in the opinion of the Bank, there is an apprehension of any money not being paid or the Security being jeopardised.
- VII. In addition to the rights and remedies the Bank may have under this Agreement, the Bank shall be irrevocably entitled and authorised to require the employer of the Borrower to make deductions from the salary/wages payable by the employer to the Borrower and remit the same to the Bank until the entire outstanding dues of the Borrower under this Agreement are completely discharged. The Borrower undertakes and agrees not to raise any objection to such deductions.
- VIII. The Bank shall initiate any other proceeding of any nature as deemed necessary.

ARTICLE 14 **SET OFF**

- A. Without prejudice to what is stated herein, the Borrower hereby expressly agrees and confirms that in the event of the Borrower failing to pay the amount outstanding under the Loan or any other loan/facility, whether as borrower or guarantor or otherwise, in addition to any general or similar lien to which the Bank or any of its subsidiary/affiliates may be entitled by law, the Bank shall, without prejudice to any of its specific rights under any other agreements with the Borrower, at its sole discretion and without notice to the Borrower, be at liberty to apply any other money or amounts standing to the credit of the Borrower in any account (including fixed deposit account) of the Borrower (whether singly or jointly with another or others) with the Bank or any of its subsidiary/affiliates in or towards payment of the monies due from the Borrower. The rights of the Bank under this Agreement are in addition to other rights and remedies (including without limitation other rights or set off) which the Bank may have.
- B. The Bank may at its absolute discretion appropriate any payments made by the Borrower under this loan Agreement towards repayment of any other loan outstanding under any other loan agreement or transaction entered into by the Borrower with the Bank and/or towards any other Indebtedness of the Borrower and such adjustment and/or appropriation shall be final and binding on the Borrower and the Borrower shall continue to remain liable to the Bank for payment of dues under this loan Agreement in respect of which such sums of money were so paid but were appropriated towards another outstanding dues under any other loan this Agreement or transaction entered into by the Borrower with the Bank or towards another Indebtedness of the Borrower. In addition, the Borrower hereby authorises the Bank to appropriate/adjust any balance amounts of the sale proceeds in possession of the Bank post appropriation/adjustment of the sale proceeds consequent of proceeds has the power to upon sell/transfer or otherwise disposal of any and/or all security created in its favour of the Bank under the security documents or pursuant to this Agreement upon default/ breach of terms of this Agreement, or deposited with Bank or under its possession or control and appropriate the same towards satisfaction/repayment of any other loan/ amounts due to the Bank on account of under any another agreement or transaction entered into by the Borrower with the Bank and/ or the Indebtedness of the Borrower
- C. The Bank shall have right to apply and/or appropriate and/or set off any credit balance of the Borrower(s) or any monies/assets (including but not limited to property, assets, securities, shares, stocks, and the like) belonging to the borrower(s) coming in the hands of the Bank towards

repayment of loan under this agreement or any other agreement upon occurrence of the event of default. Exercise of any such right shall be binding on the Borrower(s).

ARTICLE 15

DISCLOSURE/SHARING OF INFORMATION

- A. The Borrower irrevocably agrees and consents to the Bank at any time and in any manner disclosing and/or making available to any agencies, bureaus, affiliates or subsidiaries of the Bank, associations and other persons whatsoever any information (including personal and financial information) and documents of or relating to the Borrower, including any credit information, in such cases where the Bank considers appropriate including where such disclosure is permitted or required by or under law or where the Bank is of the view that the interests of the Bank require such disclosure or for furnishing such information and documents for preparation, publication and distribution of credit reports and credit opinions relating to the Borrower to other persons including banks and financial institutions. The provisions of this clause shall survive termination of this Agreement. The Bank shall also have a right to obtain similar information/ reports relating to the Borrower from credit agencies, credit bureaus, other banks and financial institutions as the Bank may deem fit.
- B. The Borrower agrees that if the Borrower commits any breach of any provision of this Agreement or any default or delay in the repayment of the Loan or any amount payable under this Agreement whatsoever which the Borrowers is liable to pay, the Bank shall have the unqualified right to disclose or publish the Borrower's name and particulars (including photographs and particulars of accounts), as a defaulter in such manner as the Bank may deem fit.
- C. The Bank may disclose Borrowers personal and financial information to the statutory authorities in connection with any legal process that may be initiated by such authorities in accordance with applicable laws. The Bank may also share Borrowers information to provide superior services and may also use Borrowers information to advice about products, services, and other marketing materials, which IDFC First Bank may think of been of customers' interest. The Bank shall further reserve the right to disclose the information to any third party if the disclosure of the same is for getting any additional service, products that may be beneficial to the Borrowers as per the sole assessment and discretion of the Bank.

The Borrower Undertake that:

- D. the TransUnion CIBIL Limited. and any other agency so authorized may use, process the said information and data disclosed by the Bank in the manner as deemed fit by them, and
- E. The TransUnion CIBIL Limited. and any other agency so authorized may furnish for consideration, the processed information and data or products thereof prepared by them, to banks/financial institutions and other credit grantors or registered users, as may be specified by the Reserve Bank of India in this behalf.
- F. The Bank may use and share the information provided by the Borrowers with its Affiliates and third parties for providing services and any service-related activities such as collecting subscription fees, notifying, or contacting Borrowers regarding any problem with, or the expiration of any services etc. In this regard, it may be necessary to disclose Borrowers information to one or more agents and contractors of the Bank and their sub-contractors, but such agents, contractors, and sub-contractors will be required to agree to use the information obtained from the Bank only for these purposes.

ARTICLE 16 MISCELLANEOUS

I. RED FLAGGED ACCOUNT

Classification of Account as Red Flag Account:

- a. The Borrower understands and agrees that, in case the loan account is classified as red-flagged account, the Bank shall conduct an audit as per its Policy, for further investigation in the account.
- b. The Borrower shall co-operate with the said audit and shall provide required information, documents, etc. to the Bank or any person appointed by Bank for conducting the audit for further investigation in the account as per its Policy.
- c. In case, the Borrower does not co-operate for conducting such audit, the Bank shall conclude the account as fraud, without giving further notice.

Note: *Red Flagged Account is one where suspicion of fraudulent activity is thrown up by the presence of one or more Early Warning Signals (EWS) indicators (as defined in relevant RBI circulars from time to time), alerting / triggering deeper investigation from potential fraud angle and initiating preventive measures by the banks.*

II. WAIVER

Any failure and/or delay on the part of the Bank in exercising any right or power under this Agreement or documents in connection with this Agreement shall not operate as a waiver thereof, nor shall any single or partial exercise of any such right or power preclude any other or future exercise thereof or the exercise of any other power or right. The rights and remedies of the Bank provided for in this Agreement are cumulative and not exclusive of any rights or remedies available under the law.

III. ANNUAL REVIEW

The loan shall be reviewed by the Bank on annual basis or at any interval of time as per the sole discretion of the Lender.

IV. RELATED PARTY TRANSACTIONS

- A. Borrower represents and warrants that except to the extent disclosed to the Bank:
 - I. all the contracts or agreements with, or any commitments entered into by the Borrower with any Affiliates or group companies (if applicable) have been undertaken on an arms' length basis.

- II. No directors, managers, trustee, partners, key managerial personnel, promoters, employee, guarantors or holder of substantial interest of the Borrower, its subsidiaries, holding company, JVs or affiliates, nor any of their respective relatives constitutes a related party, a reciprocally related person or a related person or holder of Substantial Interest in relation to IDFC FIRST Bank Limited (“Bank”), as defined under Reserve Bank of India (Commercial Banks – Credit Risk Management) Directions, 2025 read with the Amendment Directions, 2026, as amended from time to time (“RBI Credit Risk Management Directions”), and none of the aforesaid persons has entered into or participated in any reciprocal lending or quid-pro-quo arrangement with the Bank in contravention of the said RBI Credit Risk Management Directions.
 - III. No directors, managers, key managerial personnel, promoters, guarantor, partner, person holding Substantial Interest in the Borrower, its subsidiaries, holding company, JVs or affiliates nor any of their relatives is a specified employee or relative of any specified employee of IDFC FIRST Bank. The term “specified employees” for the purpose of this Clause shall mean all employees of a bank who are positioned up to two levels below the board of such bank and any employee designated as such as per the Bank’s policy.
- B. The Borrower covenants and undertakes that, for so long as the Facilities or any part thereof remain outstanding and until full and final payment of all amounts owing under the Finance Documents, the Borrower shall:
- I. promptly notify the Bank in writing of any change, variation or inaccuracy in the representations set out above; and
 - II. provide such information and documents as the Bank may reasonably require from time to time for the purpose of monitoring compliance with the Reserve Bank of India (Commercial Banks – Credit Risk Management) Directions, 2025 read with the Amendment Directions, 2026, as amended from time to time (the “Credit Risk Management Directions”).
- C. The Borrower further agrees and acknowledges that, upon the occurrence of any change in the above representations, the Lender shall have the unfettered right, without prejudice to any other rights available under the Finance Documents or applicable law, to take such actions in line with the Credit Risk Management Directions and internal policy of the Bank.
- D. The terms “Substantial Interest” shall have the meaning as prescribed under the Banking Regulation Act, 1949.

V. SERVICE OF NOTICE

All notices, requests, demands, waivers, or other communications (including Customer Copy of Loan Agreement, Key Fact Statement, Welcome Letter etc., under or in connection with this Agreement shall be given in writing by mail, e-mail, or fax as mentioned under the Schedule. Any such notice or other communication will be deemed to have been duly given if: (a) delivered personally; (b) sent by registered mail with postage prepaid; (c) sent by next day or overnight mail/courier or delivery; or (d) sent by email/facsimile. Borrower confirms that all risks shall be fully borne by him, and he assumes full responsibility for the same. Borrower

agrees to immediately intimate the Bank of any change in the postal address, email ID and acknowledges that the Bank shall not be liable for any loss or damage that may be caused to the Borrower owing to change in address. Borrower understands that the communication, documents through email, SMS, instant messaging app etc., are for his/their convenience. IDFC FIRST Bank shall not be liable or responsible for any breach of secrecy owing to communication/documents being sent digitally. Borrower shall verify the authenticity of the emails, instant messaging app etc., and shall not hold the Bank responsible for any statements received from frauds / imposters. Borrower shall not hold the Bank liable if any problem arises with his/their computer/mobile network. Borrowers understand and agree that the email statements, SMS, documents, communications will only be sent to the first holder of either registered email id/registered Cell No/ registered WhatsApp number. Borrower shall inform the Bank in writing if there is any change in his/their communication address. The Bank shall not be responsible in case if the Borrower's do not receive the statements due to incorrect communication address provided by Borrower or due to technical reasons. Borrower undertakes to take all necessary steps to ensure confidentiality and secrecy of the login name and password of the internet / email account.

VI. REQUEST BY BORROWER THROUGH FAX / E-MAIL/ HOST TO HOST CONNECTIVITY/API/MOBILE APPLICATION/ELECTRONIC MODE OF COMMUNICATION

- a. In its day to day business, the Borrower requires to make requests or provide instructions or directions to the Bank from time to time for operation of the said Account/s including but not limited to the matters relating to the payment of moneys there-from or otherwise to the debit or credit of the said Account/s; and for which purpose the Borrower has requested the Bank to allow the Borrower to give requests, directions or instructions in connection with the same by facsimile transmission (Fax) or by Electronic Mail (E-mail) or through host-to-host connectivity or through a web Application Programming Interface on the server side ("API") or through mobile application of the Bank or through any other electronic mode of communication including WhatsApp. Each such request, direction or instruction intimated to the Bank from time to time by Fax / E-mail/ host to host connectivity/API/mobile application/electronic mode of communication as aforesaid is hereinafter referred to as "Instruction".
- b. The Borrower hereby requests and authorises the Bank to rely upon and act or omit to act, at its absolute discretion, in accordance with any Instructions which may from time to time be given in connection with or in relation to the said Account (s) by Fax / Email/host to host connectivity/API/mobile application/electronic mode of communication by the Borrower or the person(s) authorised by the Borrower to act on the Borrower 's behalf ("Authorised Persons") to issue such instructions.
- c. Any Instructions (except those sent through host to host connectivity /API) hereunder to the Bank shall be provided by the Borrower from any of the modes as specified in the above clause a hereto and if there is any change in the said mode of communication, the same shall be notified by the Customer to the Bank immediately in writing and such change shall only be effective against the Bank on the expiry of 5 (five) days from the date of actual receipt of such notice by the Bank.
- d. The Bank may (but shall not be obliged to) act as aforesaid without inquiry as to the identity or authority of the Borrower or the Authorised Person(s) giving any Instruction or as to the authenticity of any Instruction and may treat the same as fully authorised by and binding on the Borrower. The Instructions shall, upon receipt by the Bank, conclusively constitute, irrespective of whether or not it is in fact initiated or transmitted by the Borrower and/or by the Authorised

Person(s), the Borrower's mandate to the Bank to act or omit to act in accordance with the Instructions and the Bank shall be entitled to rely on the veracity thereof without any further inquiry notwithstanding that such Instruction may have been authorised or transmitted in error or fraudulently or may otherwise not have been authorised by or on behalf of the Borrower or the Authorised Person(s) or may have been altered, misunderstood or distorted in any manner in the course of communication provided that the concerned person acting on behalf of the Bank, in good faith, believed the Instruction to be genuine at the time it was acted upon

- e. In consideration of the Bank acting and/or agreeing to act pursuant to the Instructions, the Borrower hereby irrevocably and unconditionally agrees to indemnify and do hereby indemnify the Bank, its directors and officers (each an "Indemnified Party") and keep the Indemnified Party at all times saved, harmless and indemnified from and against all actions, suits, proceedings, costs, claims, demands, charges, expenses, losses and liabilities howsoever arising in consequence of or in any way related to the Indemnified Party having acted or omitted to act in accordance with or pursuant to any Instruction or the terms of this writing.
- f. The Bank may at any time without assigning any reason and without any notice withdraw the facility of giving Instructions. However, any such termination shall not affect anything done or any rights or liability accrued or incurred prior to the termination and all the above indemnities given by the Borrower to the Bank hereunder shall survive any such termination.
- g. If the Borrower desires to discontinue giving Instructions by Fax / E-mail/host to host connectivity/API/mobile application/electronic mode of communication as provided in writing, the Borrower shall deliver to the Bank a prior written notice of 7 (seven) days in this behalf.

VII. ASSIGNMENT

The Bank shall have a right to sell or transfer (by way of assignment, securitization or otherwise) whole or part of the Loan and outstanding amounts under the Loan or any other rights under this Agreement or any other document pursuant hereto to any person in any manner or under such terms and conditions as the Bank may decide in its sole discretion. The Borrower shall not transfer or assign the rights under this Agreement without previous written consent of the Bank. The Borrower hereby accords its consent to the Bank for transfer of the Bank's rights and obligations under this Agreement and other financing documents to any Person at the Bank's sole discretion.

VIII. BUSINESS CORRESPONDENT

In case the said loan is sourced through business correspondent, Bank shall be responsible to address the grievances of the Borrowers in relation to acts of commissions and omissions of the said business facilitator/ correspondent.

IX. RECOVERY AGENTS

Borrower hereby authorises the Bank to appoint recovery agents and thereby consents and agrees that the Bank shall be entitled to disclose to such recovery agents/third parties all necessary and relevant information pertaining to the Borrower(s) and the loan and the borrowers hereby consent to such disclosure by the Bank. Notwithstanding anything contained in this Agreement, the Borrower(s) expressly accepts and authorizes the Bank (and/ or any such recovery agents/third party as the Bank may appoint) to contact Borrower and disclose all necessary and relevant information pertaining to the Borrower(s).

X. PARA-BANKING

The para banking services provided by the Bank to the Borrowers for financial products shall be strictly on a non-risk participation basis.

XI. INSURANCE

Notwithstanding anything to the contrary contained in this Agreement, Borrower is aware that insurance is non-mandatory and offered only to customer who voluntarily choose to opt for the same and in case if the loan is cancelled, the insurance policy will also get cancelled automatically by the Insurance Company and the certificate of insurance (if received/issued) will remain cancelled/ revoked by the said Insurance Company.

Bank may receive the commission / fees for solicitation of insurance products (if any) and same will be available on Bank website <https://www.idfcfirstbank.com/personal-banking/investments-and-insurance> under Insurance Tab.

By availing the loan facility from the Bank, I/We acknowledge and agree that the Bank may from time to time reach out to me/us with information on various banking, financial, or third-party products and services. Any such communication from the Bank shall be for informational and solicitation purposes only. The purchase or availing of any product or service is entirely voluntary and is not linked to the loan disbursement or to the sanction of any loan facility.

XII. DISCLOSURE / PRIVACY OF BORROWER INFORMATION

- A. In the Event of Default, the Bank shall also be entitled to communicate in any manner it may deem fit, to or with any person or persons including guarantors, person giving reference to loan, with a view to procure assistance of such person or persons in recovering the defaulted amounts including but not limited to visiting the property and/or any place of work of the Borrower.
- B. The Borrower agrees that the Bank may be required to disclose Borrower personal and financial information to the statutory authorities in connection with any legal process that may be initiated by such authorities in accordance with applicable laws.
- C. The Bank discourages the Borrower from sending or posting to the Bank's web site any information that the Borrower considers to be confidential or proprietary. Please note that if the Borrower do send or post any such information or material, the Bank will assume that it is not confidential. By sending or posting any information or material, the Borrower grant the Bank/IDFC First an unrestricted, irrevocable license to use, reproduce, display, perform, modify, transmit and distribute those materials or information, and the Borrower agrees that the Bank is free to use any ideas, concepts, know-how or techniques that the Borrower sends or post for any purpose on this website.
- D. The Borrower agrees that the Bank may also share Borrower information to provide Borrowers with superior services and a range of offers. The Bank may use this information to advise Borrowers about products, services, and other marketing materials, which the

Bank think may be of interest to Borrowers. The Bank further reserves the right to disclose the information to any third party if the disclosure of the same is for getting any additional service, products which may be beneficial to the Borrower, as per the sole assessment and discretion of the Bank.

- E. The Bank will limit the collection and use of Borrower information only on a need-to know basis to deliver better service to the Borrowers. The Bank may use and share the information provided by the Borrowers with its Affiliates and third parties for providing services and any service-related activities such as collecting subscription fees for such services and notifying or contacting the Borrowers regarding any problem with, or the expiration of, such services. In this regard, it may be necessary to disclose the Borrower information to one or more agents and contractors of the Bank and their subcontractors, but such agents, contractors, and sub-contractors will be required to agree to use the information obtained from the Bank only for the said purposes.
- F. The Borrower authorises the Bank to exchange, share, part with all information related to the details and transaction history of the Borrower to its Affiliates/ Banks/ Financial Institutions/ Credit Bureaus/ Agencies/ Participation in any telecommunication or electronic clearing network as may be required by law, customary practice, credit reporting, statistical analysis and credit scoring, verification or risk management or any of the aforesaid purposes and shall not hold the Bank liable for use or disclosure of this information. The Bank values relationship with Borrower and will at all times strive to ensure Borrower's privacy.

XIII. APPOINTMENT OF THIRD PARTIES BY THE BANK

Borrower accepts that the Bank shall without prejudice to its right to perform the activities itself or through its officers or employees or other authorised agents, be entitled, and have full power and authority, to appoint one or more third parties and delegate to such third party all or any of its functions, rights and powers under this Agreement relating to the administration of the Loan including the right to collect and receive on behalf of the Bank all the dues under this Agreement and give valid and effectual receipts and discharge to the Borrower and to perform and execute all lawful acts, deeds, matters and things connected herewith or incidental hereto.

For the purpose aforesaid or any other purpose which the Bank at the sole discretion may deem fit, the Bank shall be entitled to disclose to such third parties all necessary and relevant information pertaining to the Borrower.

XIV. FORCE MAJEURE

The Borrower shall be liable to perform or fulfil its obligations at all point of time and shall not delay/postpone performance, its obligations in whole or in part, even on the ground of any force majeure event such as acts of God, floods, cyclones, earthquakes, fires, wars, riots, strikes, orders of governmental or other statutory authorities, national emergency, or any other similar causes.

XV. APPROVALS MAY BE GIVEN CONDITIONALLY

Any approval, consent or permission required to be given hereunder or under any other agreement by the Bank to the Borrower may be given unconditionally or may be given subject to such condition as the Bank deem fit, and in the latter event, the Borrower undertakes to abide by and comply with all the conditions which may be imposed by the Bank without any objection, conditions, or dispute.

XVI. SEVERABILITY

Every provision contained in this Agreement shall be severable and distinct from every other such provision and if at any time any one or more of such provisions is or becomes invalid, illegal, or unenforceable in any respect under any applicable law, the validity, legality, and enforceability of the remaining provisions hereof shall not be in any way affected or impaired thereby.

XVII. ENTIRE AGREEMENT & COUNTERPART

The Parties confirm that this Agreement and its Annexure and any other documentation pursuant to its represent one single agreement between the Parties. This Agreement may be executed in separate counterparts, each of which, when so executed and delivered, shall be deemed to be an original, but all such counterparts together shall constitute one and the same instrument only.

IDFC FIRST Bank has the absolute discretion to amend or supplement any of the Loan terms and conditions at any time and will endeavour to give prior notice of 15 days by email or put up on the Bank's website, as the case may be for such changes wherever feasible and such amended terms and conditions will thereupon apply to and be binding on the Borrower. Further, loan terms shall be subject to changes based on the guidelines/ directives issued by RBI to banks from time to time.

XVIII. SUPREMACY & AMENDMENT

Any failure and/or delay on the part of the Bank in exercising any right or power under this Agreement or documents in connection with this Agreement shall not operate as a waiver thereof, nor shall any single or partial exercise of any such right or power preclude any other or future exercise thereof or the exercise of any other power or right. The rights and remedies of the Bank provided for in this Agreement are cumulative and not exclusive of any rights or remedies available under the law.

ARTICLE 17 GOVERNING LAW, JURISDICTION AND ARBITRATION

- A. In event of any grievances, the Borrower may approach the nodal officer of the Bank, contact details of the nodal officer have been provided in the Key Fact Statement (KFS).
- B. The Parties agree that this Agreement shall be governed by the laws of India.
- C. The Borrower hereby expressly agrees that all disputes arising out of and/or relating to this Agreement including any transaction document which is –

- I. below the pecuniary jurisdiction limit of the Debt Recovery Tribunals established under Recovery of Debts Due to Banks and Financial Institutions Act, 1993 (51 of 1993), then such dispute shall be resolved through arbitration in accordance with the provisions of the Arbitration and Conciliation Act, 1996 as may be amended, or its re-enactment, through the online dispute resolution("ODR") platform. The party invoking arbitration ("Claimant") shall address a notice to the other party ("Respondent") suggesting the name of one of the ODR platforms (Designated Institution) as updated on the Bank's website from time to time.
 - II. The arbitration proceeding shall be conducted in the English language. The seat of the arbitration for the purpose of determining jurisdiction shall be decided basis the zone wise distribution as provided below. The award passed by the arbitrator shall be final and binding on the Parties.
 - III. The Parties agree to carry out the arbitration proceedings virtually through an ODR platform of such institution and, for such purpose, the email addresses and / or mobile numbers of the Borrower available, provided or otherwise referenced in the transaction documents shall be considered. Each party shall be responsible for intimating such institution in the event of any change in its email address and / or mobile number throughout the arbitration proceedings. In the event the arbitration proceedings cannot be administered virtually, then the proceedings shall be conducted physically, and the venue of the proceedings shall be cities, as may be notified by the Bank, falling under either of the zones mentioned hereunder-
 - i. East.
 - ii. West.
 - iii. North; and
 - iv. South
 - IV. above the pecuniary jurisdiction limit under Recovery of Debts Due to Banks and Financial Institutions Act, 1993 (51 of 1993) should be filed before appropriate Debt Recovery Tribunals.
- D. Without prejudice to the Banks rights and remedies under contract and in law, nothing contained herein shall limit the rights of the Lender to initiate any legal proceedings in any other court or tribunal of competent jurisdiction or other appropriate forum within India, nor shall the taking of legal proceedings in one or more jurisdictions preclude the Lender from taking proceedings in any other jurisdiction within India, whether concurrently or not.

ARTICLE 18

MODE OF EXECUTION

- A. The Borrower is aware that this document is an electronic record in terms of Information Technology Act, 2000 and rules there under as applicable to electronic records in various statutes as amended by the Information Technology Act, 2000. This electronic record is generated by a computer system and does not require any physical signatures.
- B. Electronic communications shall be deemed to have been received by Borrower when we send the electronic communication to the email address / mobile number / details provided by Borrower or any other third party.

- C. The Borrower hereby expressly acknowledges and confirms that the Borrower has read, verified, understood, irrevocably agreed to and accepted and delivered all the terms and conditions contained herein electronically by ticking / clicking / checking "I/we Agree" or "I/we Agree and Accept" or any similar icon/tab/option on the online system / Website / portal / platform of the Bank/Merchant/ its agent/ service provider/partners as well as by entering the one time password ("OTP") provided to the Borrower's mobile number registered with the Bank or linked with Unique Identification Authority of India (UIDAI/Aadhaar Authority) or also biometric verification through UIDAI, and that there is no requirement of Borrower's physical signature on the Loan Documents or of the Borrowers signing this Agreement in physical form. The Borrower also acknowledges that the execution of this Agreement would be complete only once the same is accepted by the Bank. The Bank shall be deemed to have accepted and signed this Agreement electronically by way of sending an email/ letter through its officer or the Facilitator to the Borrower and attaching therewith the copy of this Agreement. For the purpose of stamp duty, any writing on a stamp paper or franked page associating the stamp paper or such franked page with this document will be as good as making the stamp paper/franked page an integral part of this document.
- D. The Parties agree that either party may use a computer-based system to issue certain Confirmations and that each such Confirmation executed by a party by means of an electronically-produced signature, shall have the same legal effect as if, such signature had been manually written on such Confirmation and that such Confirmation shall be deemed to have been signed by such party for the purposes of any statute or rule of law that requires such Confirmation to be signed. The parties acknowledge that, in any legal proceedings between them in any way relating to this Agreement, each party expressly waives any right to raise any defence or waiver of liability based upon the execution of a Confirmation by a party by means of an electronically- produced signature.
- E. If the PAN of the borrower is not linked with Aadhar, the Borrower agrees to get it linked within 90 days of disbursal of this loan.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be duly executed as of the day and year, first written above.

SIGNED AND DELIVERED by the hand(s) of

- i. Shri _____,
- ii. Shri _____,
- iii. Shri _____,

Being partners for and on behalf of the Partnership firm viz. M/s _____ as well as in their individual capacity

The Common Seal of **the Borrower** has been hereunto affixed pursuant to the resolution of its Board of Directors passed at the Meeting held on _____ in the presence of Mr. _____, Director and Mr. _____, Authorised Signatory who have set their respective signatures hereto in token thereof.

SIGNED AND DELIVERED for and on behalf of **IDFC FIRST BANK LIMITED** by the hand of

Shri _____, its

SCHEDULE

Date and Place of Agreement	
Name of the Borrower	
Registered Phone Number	

Registered Email Id	
Address of the Borrower	
Description of the Borrower	
Manufacturer(s)	
Amount of Facility	
Margin	
Rate of Interest	
Mode of repayment	RTGS/NEFT/UPI
Purpose of Loan/End Use	
promoter(s)/partner(s)/Director(s) whose personal guarantee to be provided in favour of the Lender.	

Schedule II

KEY FACT STATEMENT

Part 1 (Interest rate and fees/charges)

1	Loan proposal/ account No.		Type of Loan				
2	Sanctioned Loan amount (in Rupees)						
3	Disbursal schedule Disbursement in stages or 100% upfront. If it is stage wise, mention the clause of Loan Agreement having relevant details		(i) Yes/No (ii) Refer clause ____ of the Agreement				
4	Loan term (year/months/days)						
5	Instalment details						
Type of instalments		Number of EPIs	EPI (₹)	Commencement of repayment, post sanction			
6	Interest rate (%) and type (fixed or floating or hybrid)						
7	Additional Information in case of Floating rate of interest						
Reference Benchmark	Benchmark rate (%) (B)	Spread (%) (S)	Final rate (%) R = (B) + (S)	Reset periodicity. (Months)	Impact of change in the reference benchmark (For 25 bps change in 'R', change in		
				B	S	EPI (₹)	No. of EPIs
8	Fee/ Charges						
		Payable to the RE (A)		Payable to a third party through RE (B)			
		One-time/Recurring	Amount (in ₹) or Percentage (%) as applicable	One-time/Recurring	Amount (in ₹) or Percentage (%) as applicable		
(i)	Processing fees						
(ii)	Insurance charges						
(iii)	Valuation fees						
(iv)	Any other (please specify)						
9	Annual Percentage Rate (APR) (%)						
10	Details of Contingent Charges (in ₹ or %, as applicable)						
(i)	Penal charges, if any, in case of delayed payment						
(ii)	Other penal charges if any						
(iii)	Foreclosure charges, if applicable						
(iv)	Charges for switching of loans from floating to fixed rate and vice versa						

(v)	Any other charges (please specify)	
-----	------------------------------------	--

Part 2 (Other qualitative information)

1	Clause of Loan Agreement relating to engagement of recovery agents	Article 16 (V)
2	Clause of Loan Agreement which details grievance redressal mechanism	Article 15
3	Phone number and email id of the nodal grievance redressal officer	pno@idfcfirstbank.com 1800 209 9771
4	Whether the loan is, or in future maybe, subject to transfer to another REs or securitisation (Yes/ No)	Yes
5	In case of lending under collaborative lending arrangements (e.g., co-lending/ outsourcing), following additional details may be furnished:	
	Name of the originating RE, along with its funding proportion	Name of the partner RE along with its proportion of funding
		Blended rate of interest
6	In case of digital loans, following specific disclosures may be furnished:	
	(i) Cooling off/look-up period, in terms of RE's board approved policy, during which borrower shall not be charged any penalty on prepayment of loan	
	(ii) Details of LSP acting as recovery agent and authorized to approach the borrower	

SIGNED AND DELIVERED by the hand(s) of

- i. Shri _____,
- ii. Shri _____,
- iii. Shri _____,

Being partners for and on behalf of the Partnership firm viz. M/s _____ as well as in their individual capacity

The Common Seal of **the Borrower** has been hereunto affixed pursuant to the resolution of its Board of Directors passed at the Meeting held on _____ in the presence of Mr. _____, Director and Mr. _____, Authorised Signatory who have set their respective signatures hereto in token thereof.

SIGNED AND DELIVERED for and on behalf of **IDFC FIRST BANK LIMITED** by the hand of

Shri _____, its
