

Most Important Terms and Conditions (MITC)

Business Banking Assets

Working Capital (WC) and Small Business Enterprises (SBE)

Purpose of Loan: -

WC facilities can be granted to customer for Business needs and any other purpose which is acceptable to the Bank and is in adherence to instructions issued by Reserve Bank of India from time to time.

Rate of Interest (ROI): -

Interest rates on credit facilities are linked to the REPO Rate updated by RBI time to time. Floating/Adjustable Rates of Interest linked to the base rate, are offered. ROI may be revised upwards or downwards from time to time due to changes in the Base Rate. The Bank at its discretion shall be entitled to review the base rate from time to time. In case of Term Loans, the Bank has the option to reduce or increase the EMI or extend the repayment period or both consequent upon revision in the ROI. Interest on the loan will be charged at prevailing ROI on monthly resets.

Borrower shall be deemed to have notice of changes in ROI whenever there are changes in REPO Rate which may either be displayed on the Notice Board of the Branch or published in Newspapers or uploaded on the Bank's Web Site or informed to the Borrower by way of a Letter/ E-mail /SMS / Phone Call and the Borrower is liable to pay such revised ROI.

Repayment: -

All Term Loans are to be repaid by way of Equated Monthly Instalments (EMI) over the tenure of the Loan. The Repayment commences from a date specified by the Bank at the time of disbursement.

In Overdraft Facility, Interest has to be serviced on a monthly basis. The amount of interest due for a month would be calculated at the prevailing ROI on the day end debit balances during the Month. The Limit would be reviewed periodically and may be increased or decreased annually or otherwise based on customer request or as may be decided by the Bank under intimation to the Customer.

The Loan / Facility will be considered as fully repaid only when all the dues are paid and the outstanding loan / limit amount becomes zero.

Loan Tenure: -

In case of Term Loan, Minimum Tenure is 1 year. Maximum Tenure is 5 years or up to the age of attaining 60 years, whichever is lower. In case of Overdraft Facility, Maximum Tenure is 1 year.

Security: -

The Loan / Facility will be secured by Equitable / Registered Mortgage / Extension of Mortgage of the Property against which the Loan / Facility is sanctioned. In addition to Mortgage of the Property, the Bank may stipulate, at its discretion, Security of adequate value in any other form(s) as the Bank may deem appropriate. The Bank may also stipulate a Third Party Guarantee, as it may deem fit. The Borrower should

ensure that title to the Property is clear and marketable and the Property is fully constructed and built as per approved plans and permissions. In case the Loan / Facility is secured by Equitable / Registered Mortgage / Extension of Mortgage of the Property, the Borrower should ensure that title to the Property is clear and marketable and the Property is fully constructed and built as per approved plans and permissions.

Schedule of Charges:

Type	Penalty Amount/Rate
Delay or Default in Payment or where amount drawn beyond the Maximum Overdraft Limit and/or the Drawing Power	<p><u>All facilities except LCBD, Export Credit in INR/ Foreign Currency (FC), and Devolved Liabilities arising from Non Fund Based(NFB) facilities and all Other Foreign Currency Loans :-</u></p> <p>Amounts standing unpaid on respective due dates shall attract penal charge at 8% per annum (to be charged for actual no. of days) on overdue amount plus applicable taxes</p>
	<p><u>LC backed bill discounting (LCBD) facility: -</u></p> <p>Amounts unpaid on due date shall attract penal charge at 2% p.a. (to be charged for actual no. of days) on overdue amount plus applicable taxes.</p>
	<p><u>Devolved Liabilities arising from Non Fund Based(NFB) facilities (viz. Letter of Credit & Bank Guarantee):-</u></p> <p>The devolved liabilities shall carry Rate of Interest commensurate with the credit risk premium of the borrower as per Bank's pricing guidelines.</p> <p>All such amounts standing unpaid shall also attract penal charge at 8% per annum (to be charged for actual no. of days) on devolved liabilities from the date of devolvement till its regularization, plus applicable taxes</p>
Delay/ Non-Creation of Security in favor of the Bank by the Borrower/Security Provider (* Refer Notes Below)	<p>The Bank shall levy Penal charges at Rs. 5.50 per day per lac of exposure (or a part thereof) + applicable taxes for any delay beyond the original due date ("ODD") as per sanction terms upto 180 days from the ODD.</p> <p>Beyond 180 days delay, the Bank reserves the right to recall the facility (ies) or charge penal charges at Rs. 11 per day per lac of exposure (or a part thereof) + applicable taxes until the security is created to the satisfaction of the Bank.</p> <p>(The said penal charges shall be calculated on sum of limits of revolving lines and outstanding under non-revolving lines of both fund and non-fund based facilities to which the security extends.)</p>

<p>Delay/ Non-submission of Stock / Property insurance policy</p>	<p>Upto Rs. 10 crs exposure - Rs. 5000/- per month + applicable taxes</p> <p>Above Rs. 10 crs exposure - Rs. 10000/-per month + applicable taxes</p> <p><u>Timelines for submission:</u></p> <p>Cover note: 15 days from expiry of existing policy;</p> <p>Renewed policy: 30 days from expiry of existing policy</p> <p>For Takeover cases: Insurance policy to be submitted within 45 days from the date of first disbursement</p> <p>Delay in submission of more than 60 days will result in reductions of limits at the absolute and sole discretion of the Bank.</p>		
<p>Delay in submission of Documents under deferral</p>	<p>Rs. 2500/- per month + applicable taxes</p> <p>The penalty would be applicable after 15 Days from the due date until receipt of the respective document to the satisfaction of the Bank.</p>		
<p>Delay in Stock Audit</p>	<p>Rs. 5000/- per month + applicable taxes</p> <p>Penalty will be applicable after 60 days from the due date until receipt of the stock audit report to the satisfaction of the Bank.</p>		
<p>Delay in submission of Book Debt & Stock Statement</p>	<p>Rs. 5000/- per month + applicable taxes</p> <p>Penalty will be applicable if the statement is not submitted on due date until the receipt of the statement.</p> <p>If submission is not received 15 days beyond the submission due date, Bank may also drop the drawing power at its absolute and sole discretion.</p>		
<p>Charges for recovery of Provision on account of inadequate hedging where <u>Unhedged Foreign Currency Exposure (UFCE)</u> declaration/certificate is submitted within the stipulated timelines</p>	<p><u>Self-Declaration</u> - if not submitted within 2 months from the end of the applicable period- Rs. 125/- per quarter per lac + applicable taxes, on the Total Fund Based Outstanding exposure relevant for UFCE provision at the end of each quarter</p> <p><u>Annual UFCE certificate from the Statutory Auditor</u> if not submitted within 8 months from close of financial year- Rs. 500/- p.a. per lac + applicable taxes, on the Total Fund Based Outstanding exposure relevant for UFCE provision</p> <p>Charges for recovery of Provision on account of inadequate hedging where UFCE declaration/certificate is submitted within the stipulated timelines</p> <table border="1" data-bbox="732 1818 1377 1887"> <tr> <td data-bbox="732 1818 1008 1887">Likely loss/ Earnings before interest and</td> <td data-bbox="1008 1818 1377 1887">Charges for recovery of provision (to be charged on</td> </tr> </table>	Likely loss/ Earnings before interest and	Charges for recovery of provision (to be charged on
Likely loss/ Earnings before interest and	Charges for recovery of provision (to be charged on		

depreciation (EBID) ratio ¹	Total Fund Based Outstanding relevant for UFCE provision)
<= 15%	Nil
> 15% <=30%	Rs. 50 per quarter per lac + applicable taxes
>30% <=50%	Rs. 75 per quarter per lac + applicable taxes
>50% <=75%	Rs. 100 per quarter per lac + applicable taxes
>75%	Rs. 125 per quarter per lac + applicable taxes

Note: - The said charges should not exceed Rs. 500 p.a. per lac on Fund Based O/s exposure in a financial year.

Non-closure of account with other bank (unless specific permission is taken), wherever stipulated	Rs. 5000/- per month + applicable taxes
Commitment Charges for non-utilization of limits	If average utilization of facility limits for a quarter is below 60% of sanctioned limits, Commitment charges of Rs. 5.50 per day per lac of unutilized limits (or a part thereof) + applicable taxes.
Charges for Breach of Other Material Terms and Conditions (i.e. breach of any Event of Default conditions ("EOD") as mentioned in any loan/facility agreement or Sanction Letter or any other agreement or breach of any Specific Conditions mentioned in the Sanction Letter) and not covered specifically in this Schedule.	Rs. 5.50 per day per lac of exposure (or a part thereof) + applicable taxes (to be calculated from the day of breach until complied) In addition to these charges/levies, Bank also reserves the absolute right to recall the limits and demand repayment of all facilities from the borrower.
Dishonor charges per Instance (Cheque / Standing Instructions / ECS / NACH) for loan repayment	INR 750/- per instance
Change/Release/modification/Replacement in security	INR 25,000/- plus applicable taxes per instance per borrower
Documentation charges	For New Limits/Enhancement/Modification (plus applicable taxes) Digital Execution: INR 5,000/-

	<p>Physical Execution: INR 10,000/-</p> <p>For Renewal (plus applicable taxes)</p> <p>Digital Execution: INR 2500/- for every renewal</p> <p>Physical Execution: INR 5000/- for every renewal</p>
Extension of timeline for security creation	INR 10,000/- plus applicable taxes for each extension request (at the time of PDF extension in the system)
Renewal Extension Request	INR 5,000/- plus applicable taxes per instance
Stamp Duty and Incidental Charges	As per Actuals incurred
Swap Charges(Replacement of PDCs) / Change of SI Instructions / NACH	INR 1000/- plus applicable taxes per instance
Charges applicable in case customer requests for copies of records pertaining to transactions (Statement Of Account / Amortization Schedule) per Transaction	INR 500/- plus applicable taxes
Solvency Certificate	<p>Up to 0.10% per Lac with minimum INR 1000/- plus applicable taxes and maximum of INR 10,000/- plus applicable taxes per Solvency certificate.</p> <p>It is agreed and understood by the Borrower that issuance of a solvency certificate shall be at the absolute and sole discretion of the Bank and the Bank may refuse issuance of such certificate in exercise of its discretionary right.</p>
Title Verification (TSR)/ Clearance Charges	As per Actuals or INR 6,000/- per property whichever is higher (plus applicable taxes)
Mortgage / Registration and Incidental Charges	As per the applicable charges of respective locations
Mortgage charges	0.05% of Loan value not exceeding INR 25000/- per instrument (plus applicable taxes)
Stock audit charges	Borne by customer on actual basis
Collateral Management Agency charges	1% of utilization or as per actuals (plus applicable taxes) whichever is higher
Registrars of Companies (ROC) Search Report/Charges	INR 1250/- for each report (plus applicable taxes)
Valuation Charges Per Property	As per Actuals or INR 7,500/- per property, whichever is higher (plus applicable taxes)
Ad-hoc Set up charges & Rate of Interest (ROI)	Set-up charges - 0.25% plus applicable taxes subject to minimum of INR 5000 & maximum of INR 25000.

	Rate of Interest - additional interest of 2.00% p.a. over and above the contracted ROI on Ad-hoc amount
Creation of Bank charge on collateral in various mandated databases, such as CERSAI, ROC etc.	Up to Rs. 5000/- per instance or on actuals (plus applicable taxes)
Subsidy Application & Processing Charges	Up to INR 5,000/- (plus applicable taxes) per instance
	Up to INR 50,000/- (plus applicable taxes) per instance
Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE) Fee	As per fee matrix defined by CGTMSE from time to time (plus applicable taxes)
CGTMSE Administrative charges	Upto 0.1% of the CGTMSE exposure (plus applicable taxes)
Charges for Certificates on Borrower's Request	Up to INR 10,000/- (plus applicable taxes) per request (Please take note that issuance of any such certificate shall be at the sole and absolute discretion of the Bank and the Bank will have right to reject if the requested certificate is not found acceptable for issuance by the Bank).
Modification in terms and conditions	INR 25000/- plus applicable taxes per request
Unit inspection / security verification charges	On actuals
No Objection Certificate(NOC) Issuance/Duplicate issuance of No Dues Certificate (NDC)	INR 5,000/- plus applicable taxes per NOC/Duplicate NDC
Foreclosure/Prepayment of the facilities	2% of Principal Outstanding for Non-revolving and 2% of Sanctioned limits for Revolving facilities (plus taxes as applicable) For Micro & Small (MSE) Borrowers- <ul style="list-style-type: none"> • Nil charges on fixed rate loans up to 50 lakh (<i>Original Sanctioned limit</i>) • Nil charges on Floating loans

Notes:

- Delay/ Non-Creation of Security in favour of the Bank by the Borrower/Security Provider means:
- The term non-creation of security shall mean failure of the Borrower/Security Provider to create security in such form and manner as per the agreed terms mentioned in Sanction letter /Facility letters or Facility /Loan Agreements or any other document/instrument to secure the loan/financial facility availed from the Bank and shall also include Non-submission of NOC or Permission to Mortgage from any person/entity/ competent authority as prescribed by the Bank as well as Non-submission of pari passu letters from other lenders.
- In addition to these charges/levies, Bank also reserves the absolute right to withdraw the limits and demand repayment of the facilities from the borrower for any breach of any of the terms and

conditions prescribed in the sanction letter or any loan/security document executed in favour of the Bank. For the sake of clarity, it is reiterated that the above list is only indicative in nature and should not be in any manner construed as an exhaustive list at any point of time.

Personal Insurance: -

Customers can opt for insurance cover on the Life of the Borrower which would cover, depending upon the sum assured, the liability outstanding under the Loan / Facility account at the time of death of the Policy holder. Availing such insurance cover is optional.

Default: -

In case of Default (i.e., if the Amount Due is not paid by the Due Date), the Bank will try to inform the Customer by Post / FAX / Telephone / E-mail / SMS and/or through authorized representatives appointed for Collection purposes, about repayment of the loan/facility due and payable by the borrower. Any authorized representative so appointed by the Bank, shall adhere to the Board approved Policy on Collection of Dues and Repossession of Security.

Customer Service:-

For any requirement, you may contact our Customer Care at 1860 266 2666

Disclaimer: Credit is at the sole discretion of Kotak Mahindra Bank Limited and is subject to Collection and Verification of Documents and other Information, Credit Bureau Checks, Personal Discussion (PD), and other Checks as may be felt necessary by the Bank. The Final Offering may be different from any initially communicated offer. The Bank may make available any information in the Application Form and other Documents submitted to the Bank and information pertaining to the Loan to any institution or body. Bank shall be in no way responsible for non-receipt of intimations/communications to the previously registered Addresses, Phone Numbers, Mobile Numbers, E-mail id, etc. The MITC are only indicative and not exhaustive. For detailed terms and conditions of the loan, please refer to the Loan Agreement. In case of contradiction in the MITC and provisions of the Loan Agreement, provisions contained in the Loan Agreement shall prevail.