

Most Important Terms and Conditions (MITC)

Business Banking Assets

Business Loan (BL) & Business Loan Overdraft (BLOD)

Purpose of Loan: -

Business Loan (BL) and Business Loan Overdraft (BL OD) Facility can be granted to customers 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): -

Rate of Interest (ROI) on credit facilities shall remain fixed for the entire tenor of the Loan/Facility. Interest on the Business Loan (TL) will be charged amount in EMI (Equated Monthly Instalment) at the rates as set out in the Sanction Letter and Loan Agreement.

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. Repayment can be made by way of ECS or Standing Instruction (in case customer has banking with Kotak Mahindra Bank Limited or as the Bank may accept.

Before commencement of EMI, the Borrower may be liable to pay Pre-EMI Interest (PEMII) if the Bank so communicates at the time of disbursement. This would generally be applicable in the case of Disbursement within the specified period before the first EMI Due Date agreed upon. PEMII is calculated at the prevailing ROI on the Disbursed Loan Amount (or Outstanding Loan Amount, whichever is lower) for the No. of Days remaining till the upcoming Due Date of payment of Instalment (EMI/PEMII).

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: -

Generally no collateral security is taken for this type of Loan / Facility. However, the Bank may, at its discretion, stipulate such security of appropriate value as it may deem appropriate. The Bank may also stipulate a Third Party Guarantee, if deemed fit.

Schedule of Charges:

Nature of charges	Quantum of charges
<u>Schedule of Penal Charges</u>	
Default in Payment or where amount drawn beyond the Maximum Overdraft Limit and/or the Drawing Power	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
Prepayment Charges	The borrower shall be liable to pay up to 4% foreclosure / closure charges of the outstanding (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
Non-utilisation Charges	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.
Delay/ Non-Creation of Security in favor of the Bank by the Borrower/Security Provider (* Refer Notes Below)	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. 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. (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.)
Charges for Interest Certificate	Free once in Financial year. Thereafter, INR 250/- (plus Taxes as applicable) per instance.
Cheque dishonour Charges	INR 750/- (Plus Taxes as applicable) per instance.
Delay in submission of Documents under deferral	Rs. 2500/- per month + applicable taxes per CRN The penalty would be applicable after 15 Days from the due date until receipt of the respective document to the satisfaction of the Bank.
Non-closure of account with other bank (unless specific permission is taken), wherever stipulated	Rs. 5000/- per month + applicable taxes
Delay in Stock Audit wherever stipulated	Rs. 5000/- per month + applicable taxes Penalty will be applicable after 60 days from the due date until receipt of the stock audit report to the satisfaction of the Bank.
Delay in submission of Book Debt & Stock Statement wherever stipulated	Rs. 5000/- per month + applicable taxes Penalty will be applicable if the statement is not submitted on due date until the receipt of the statement. 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.
Delay/ Non-submission of Stock / Property insurance policy wherever stipulated	Upto Rs. 10 crs exposure - Rs. 5000/- per month + applicable taxes Above Rs. 10 crs exposure - Rs. 10000/-per month + applicable taxes <u>Timelines for submission:</u> Cover note: 15 days from expiry of existing policy; Renewed policy: 30 days from expiry of existing policy for Takeover cases: Insurance policy to be submitted within 45 days from the date of first disbursement Delay in submission of more than 60 days will result in reductions of limits at the absolute and sole discretion of the Bank.
<u>Schedule of Other Charges</u>	
Processing Fee (Non-refundable)	Maximum 2% of the loan / facility amount (Plus Taxes as applicable) NIL Processing Fees for total loan facility up to ₹5 Lakhs availed by micro and small Enterprises subject to URC submission prior to disbursal

Annual Review / Renewal Charges	Up to 2% of renewal limit (Plus Taxes as applicable)
Documentation Charges	Loan amount up to INR 10 lakh: INR 3,500/- (Plus Taxes as applicable) Loan amount above INR 10 lakhs: INR 6,000/- (Plus Taxes as applicable)
Repayment Mode / Account swap charges	INR 500/- (Plus Taxes as applicable) per instance.
Charges for Amortisation Schedule/ Account Statement	Free once in a Financial Year. Thereafter, INR 500/- (plus taxes as applicable) per instance
Charges for Duplicate NOC / No Dues Certificate	INR 500/- (Plus Taxes as applicable) per instance.
Charges for copy of Credit Bureau Report (to Customer who has availed Loan /Facility from us)	INR 100/- (plus taxes as applicable) per instance for Individuals INR 500/- (Plus taxes as applicable) per instance for non-individuals
Charges for Copy of any Document	INR 500/- (Plus Taxes as applicable) per instance.

Notes:

- Delay/ Non-Creation of Security in favor 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 favor 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.
- Stamp Duty on Loan Agreement / Overdraft Agreement, Guarantor Agreement, etc., varies from State/UT to State/UT. Stamping Charges, Notarisation Charges, Charge Creation on Collateral Security, etc., as per RBI/Statutory Notifications, as applicable.
- Charges for other Services which is not specified above would be specified as applicable when the Customer applies for those Services and the same shall be payable by the Borrower. e.g. Revalidation of Sanction, Change in Collateral, Re-scheduling Loan, Change in EMI Date, Solvency Certificate Issuance Charges, etc.,
- Taxes / other statutory levies may be charged to the Borrower if applicable as per Government / RBI directives.

- Any charges are applicable subject to regulatory/statutory feasibility. Any relaxations available to specific borrower categories / groups, if any, shall be applicable to such beneficiaries.
- Bank reserves the right to modify any charges from time to time or to introduce any new charges, as it may deem appropriate and will publish them on the bank's website (www.kotak.com).

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.