

## TERMS AND CONDITIONS GOVERNING THE MICROFINANCE LOANS (JLG MODEL)

### 1. APPLICABILITY

These Standard Terms and Conditions shall, if relevant Application Form(s) so provide, apply to the Microfinance Loan Facilities provided by **Kiara Microcredit Private Limited (KMCL)** to the Borrower(s). These Standard Terms and Conditions shall be read in conjunction with the relevant Application Form, Transaction Document(s) concerning the respective Loan facility(s), as the case may be, and all the information, terms and conditions as updated on the official website [www.kiaramfi.com](http://www.kiaramfi.com) from time to time, which may be incorporated herein by reference.

### 2. DEFINITIONS

- a. **“Agreement”, or “pledge”, or “uruthimozhi”** means and includes the agreement executed/ to be executed by the Borrower in favour of KMCL on the microfinance Loan/facility.
- b. **“Applicable Law”** includes any law, directive, rule, regulation, guideline, circular, notification, clarification, guideline, instruction, requirement, constitution, decree, judgment, legislation, order, ordinance, regulation, statute, treaty or other legislative measure having the force of law in any jurisdiction from time to time, and “lawful” and “unlawful” shall be construed accordingly.
- c. **“Application Form”** shall mean, as the context may permit or require, the loan application form submitted to KMCL for applying and availing of the Loan (as defined in the Agreement).
- d. **“Lender” or “KMCL”** shall mean **KIARA MICROCREDIT PRIVATE LIMITED (KMCL)**, a private limited company incorporated under the Companies Act, 2013 and having its Registered Office situated at No 22/2, 2nd street, Nehru Nagar, Behind CMS school, Ganapathy, Coimbatore-641006.
- e. **“Borrower” or “Beneficiary”** includes the person to whom KMCL has agreed to grant the microfinance loan and who has received the Loan.
- f. **“Business Day”** means a day (other than Public Holidays) on which KMCL and banks are open for business in the location from where the Loan is sanctioned.
- g. **“Competent Authority”** shall mean the Government of India (“GOI”), RBI or the government of any other state of India or any ministry, department, local authority, statutory or regulatory authority, instrumentality, agency, corporation (to the extent acting in a legislative, judicial or administrative capacity or commission under the direct or indirect control of the GOI or RBI or the government of any other state of India or any political subdivision of any of them or owned or controlled by the GOI or the RBI or the government of any other state of India or any of their subdivisions, or any court, tribunal or judicial body within India or any legislative, judicial or executive authority, department, ministry of public or statutory Person whether autonomous or not, of the GOI or the RBI.
- h. **“Due Date”** means the date(s) on which any amounts in respect of the Loan, including the Interest and/or any other monies, fall due.
- i. **“Lending Rate” or “LR”** means the market-determined reference rate used by KMCL in conformity with the guidelines of RBI to determine the interest rates on loans, which is subject to review by KMCL periodically by a board-approved policy.
- j. **“Facility Documents”** includes the Application Form, sanction letter, if any, these Terms & Conditions, the Agreement, Loan card, Promissory note(s), the schedules forming part of the Agreement, and all other agreements, instruments, undertakings,

indentures, deeds, writings and other documents executed or entered into, or to be executed or entered into, by the Borrower and/or any other person, in relation, or pertaining, to the Loan and the transactions contemplated under the Facility Documents, and includes all modifications and amendments thereto.

- k. **“Group”** shall mean all the persons named as a group in the Application Form and who introduce themselves to KMCL through such Application Form in a prescribed format.
- l. **“Interest”** means the interest rate mentioned in the loan card, chargeable by KMCL from the Borrower on the Loan as amended from time to time by a board-approved policy.
- m. **“Joint Liability Group” or “JLG”** means Joint Liability Group (JLG) is an informal group comprising preferably of 4 to 10 individuals to avail loan either individually or through the group mechanism against the mutual guarantee.
- n. **“Loan” or “Facility”** means a collateral-free loan given to a household with annual household income up to ₹3,00,000. For this purpose, the household shall mean an individual family unit, i.e., husband, wife and unmarried children.
- o. **“Loan Amount”** shall mean an amount of Loan as may be availed by the Borrower as per the terms and conditions of the Facility Documents.
- p. **“Material Adverse Effect”** means the effect or consequence of any event or circumstance which is or is likely to be:
  - i. adverse to the ability of the Borrower or any person to perform or comply with any of their respective obligations concerning the Loan; or
  - ii. prejudicial to the financial condition of the Borrower, in the opinion of KMCL.
- q. **“Net-Off Account”** about the loan card shall mean any existing loan account of the Borrower, which needs to be closed by the Borrower simultaneous with availing the Loan.
- r. **“Net-Off Amount”** about the loan card shall mean the amount netted from the Loan to close the Net-Off Account.
- s. **“Outstanding”** shall include, at any time, all amounts payable by the Borrower to KMCL under the Facility Documents, including but not limited to the present and future obligations and liabilities of the Borrower to pay/ repay without limitation the principal amount of the Loan, Interest (as defined in the Agreement) and additional interest thereon and all stamp duties, Taxes, expenses, fees, liquidated damages, indemnities, costs, charges and expenses including without limitation any statutory or legislative charges, penalties, if any, in connection with the Loan, and such other expenses incurred in exercise by KMCL of its right, together with legal fees and court costs.
- t. **“Periodic Installments” or “PI”** means and includes the such amount of the principal and interest that the Borrower is required to pay, concerning the Loan, to KMCL as per the repayment schedule set out in the loan card and/or in conformity with such changes to the repayment schedule as may be communicated to the Borrower by KMCL, from time to time.
- u. **“Pre-Closure” or “Pre-payment”** means repayment of the entire dues under the Loan before the completion of tenure stipulated in the loan card, subject to the terms and conditions laid down by KMCL.
- v. **“Processing Fee”** shall mean and include, at the discretion of KMCL, all such initial payments, which shall not be limited to documentation reimbursement, meeting expenses, applicable processing fees, and any other applicable Taxes or charges as may be levied by KMCL for disbursement of the Loan to the Borrower.
- w. **“Public Holiday”** means a public holiday under Section 25 of the Negotiable Instruments Act, 1881 (26 of 1881), and days on which banks are not open for business

either in the respective Clearing House or in the place of business of KMCL as set out in the Schedule to the Loan Agreement.

- x. **“Purpose”** means the purpose for which the Loan is availed by the Borrower, which is more fully mentioned in the loan card.
- y. **“RBI”** means Reserve Bank of India.
- z. **“RBI Guidelines”** shall mean any guideline, circular, notification, regulation, requirement or other restriction or any decision or determination relating to taxation, monetary union, capital adequacy norms and other prudential norms on income recognition, asset classification and provisioning pertaining to advances by banks and financial institutions, liquidity, reserve requirements, or reserve asset, special deposit cash ratio, or capital asset requirements or any other form of banking or monetary control issued or made by, or any interpretation, policy or administration of any of the foregoing, by any Competent Authority having jurisdiction over the matter in question, including any of these that has been or may be issued by the RBI in any manner connected with small finance banks in the private sector, whether in effect as of the date of the Agreement or hereafter.
- aa. **“Repayment”** means repayment of all dues in respect of the Loan, which shall include the principal amount of the Loan, Interest, all taxes, levies, charges, legal fees, expenses and costs etc., provided in the Agreement.
- bb. **“Repayment Schedule”** means the repayment schedule mentioned in the loan card given to the Borrower at the disbursement.
- cc. **“Tax”** includes all direct and indirect, present and future taxes, including without limitation any tax, levy, impost, duty, demand, cess, fees, revenues, surcharge, claims, public demands or other charges or withholding of a similar nature (including any related penalty or interest payable in connection with any failure to pay or any delay in paying any of the same).
- dd. **“Top-Up-Loan”** shall mean any additional amount of loan applied for by the Borrower and granted by KMCL during the subsistence of the Loan.
- ee. **“Website” or “Official Website of KMCL”** means the website of KMCL, presently being [www.kiaramfi.com](http://www.kiaramfi.com).

### **3. INTERPRETATION:-**

In the Agreement and these Terms & Conditions

- a. *reference* to the masculine gender includes the reference to the feminine gender and vice versa;
- b. the meaning of the terms used in the Agreement and these Terms & Conditions shall be equally applicable for both singular and plural forms of the terms;
- c. unless otherwise specified, reference to a Clause shall mean the reference to that particular clause of the Agreement and/or these Terms & Conditions;
- d. reference to any agreement, document, instrument, statute, enactment, ordinance, order, regulation etc. shall be construed to include a reference to the amendments, extensions, re-enactments, supplementals, restatements, novations and/or consolidations thereto from time to time;
- e. save and except as specifically provided in the Facility Documents any determination concerning the ‘materiality’ or ‘reasonability’ of any matter, including of any event, quantity, degree, occurrence, circumstance, change, fact, information, document, authorisation, proceeding, act, omission, claims, breach, default or otherwise shall be made by KMCL in its sole and absolute discretion;
- f. all the Schedules, Annexures and Exhibits to the Facility Documents shall form an integral part of the relevant Facility Documents; and

- g. when there is more than one Borrower, the term Borrower shall include all such Borrowers and the grammar in these Terms & Conditions shall be deemed to have been appropriately modified.

**4. LOAN AND DISBURSEMENT OF LOAN:**

- a. KMCL may, at its sole and absolute discretion, lend to the Borrower(s). The Borrower(s) agrees to borrow from KMCL the Loan for the purpose and on the terms and conditions set out in the Facility Documents to the extent of the Loan Amount as more particularly set out in the Facility Documents or as may be agreed between KMCL and the Borrower from time to time.
- b. KMCL undertakes no obligation to meet any further credit requirements of the Borrower, on account of growth in its business or otherwise, without proper credit evaluation. If the Borrower has availed any group loan and the same is outstanding in the books of KMCL, the Loan shall be disbursed only after the Borrower closes such existing loan. If such an existing loan is not closed by the Borrower, KMCL shall have the right to net off the dues under such existing loan, from and out of the proceeds of the Loan Amount. It is clarified that the netting-off will be done without collecting any pre-payment penalty, and no prejudice would be caused to the Borrower due to such netting-off. Accordingly, the Borrower shall continue to be liable to repay KMCL the entire Loan Amount, interest, and other monies.
- c. KMCL may, based on the specific application submitted by the Borrower, grant at its sole discretion Top Up Loans to the Borrower at such rates of interest as determined by KMCL based on factors including but not limited to Borrower's repayment records, financial position, the cohesiveness of the Group provided for in the Loan Application, the viability of the business of the Borrower, etc.
- d. Such Top Up Loans shall continue the Loan, and the Borrower shall have to execute the requisite further agreement in favour of KMCL concerning such Top Up Loans.
- e. Further, the repayment schedule for all such top-up Loans shall be as may be revised by KMCL from time to time and may, at the sole discretion of KMCL, either substitute or be an addition to the existing repayment schedule as on the date of sanction of Top Up Loan. However, it is clarified that KMCL shall not be under obligation to provide such Top Up Loans to all its Borrowers, whether the same has been applied for or not.

**5. REPAYMENT:**

- a. The Borrower shall repay to KMCL the Loan, together with accrued Interests applicable thereon from the date of disbursement, as and by way of PI and all other Outstandings on or before the respective Due Dates following the Repayment Schedule as set out in the Facility Documents/Loan card.
- b. If any payment/re-payment would otherwise be due on a day that is not a Business Day, it shall be due on the immediate next Business Day.
- c. The Repayment Schedule shall, inter alia, contain the PI and the repayment tenure as computed by KMCL from time to time. The 'PI' shall comprise principal and Interest calculated based on periodic rates at the rate applicable and rounded off to the nearest whole rupee. The Interest component for each PI may vary depending on the Outstandings. Regarding the revisions to be carried out in the Repayment Schedule on account of the revision of the rate of Interest, either the repayment tenure or the amount of the PI shall be subjected to such changes as may be required to effect the variation. The PI shall be paid on or before the respective Due Dates.
- d. The Borrower shall, jointly and severally, ensure that the payment of the PI shall not be stopped for any reason whatsoever.

- e. Suppose KMCL permits repayment under the Loan through Electronic Clearing System (“ECS”)/Automated Clearing House (“ACH”) instructions as notified by RBI or through Standing Instructions(SI) linked to the Borrower’s account with KMCL. In that case, the Borrower should execute the requisite mandate for registering ECS/ACH/SI. KMCL may execute the ACH/ECS/SI on the Business Day falling on the previous or the subsequent day of the Due Date, and the Borrower should always ensure that the funding account has the requisite credit balance to honour such ACH/ECS/SI.

**6. INTEREST:**

- a. The Interest on the Loan shall be charged at the rate of Interest set out in the Facility Documents, and the Interest payment frequency shall be as more particularly set out in the Facility Documents.
- b. The Borrower should note that during the tenure of the Loan, KMCL shall have, at its discretion, the right to change/reset/revise the Interest rate at any time and from time to time as per its policy and the guidelines issued by RBI or applicable laws or regulations, if any.
- c. KMCL shall inform the Borrower about such changes through electronic or print media or display made in KMCL’s outlets/ branches/offices/Website.
- d. Also, KMCL shall ensure that such changes are effected only prospectively. Any such change in the Interest rate and periodicity thereof shall be binding upon the Borrower. The Interest calculated based on the interest rate mentioned in the Facility Documents shall be rounded off to the next rupee calculated on monthly rests.
- e. Interest shall be calculated on the actual number of days taken as 365 (Three Hundred and Sixty-Five) a year in a non-leap year and 366 (Three Hundred and Sixty-Six) days in a leap year. In case the tenure of the Loan is spread over a non-leap and a leap year, the Interest is calculated by reckoning 365 (Three Hundred and Sixty-Five) days in the non-leap year and 366 (Three Hundred and Sixty-Six) days in a leap year.
- f. The rate of Interest is reasonable and represents a genuine pre-estimate of the loss expected to be incurred by KMCL in the event of nonpayment of any monies by the Borrower. The Borrower shall be deemed to have acknowledged the genuineness and reasonability of the same.

**7. CHANGE IN RATE OF INTEREST:**

If there is any change in the law and/or regulatory requirements by the regulator applicable to the Loan on provisioning norms and risk weightage or based on the changes in the pricing policy of KMCL, then KMCL may revise the rate of Interest following and/or to ensure compliance with such law/regulatory requirement. Notwithstanding anything to the contrary contained herein, the Interest payable by the Borrower to KMCL shall be subject to the changes in interest rate made by the RBI from time to time.

**8. CHARGES/FEEES:**

- a. The Borrower shall pay the Processing fees at the time of disbursement of the Loan by KMCL. Or at the request of the borrower the same shall be deducted from the disbursed amount at the rate as decided by KMCL following the policy guidelines.
- b. Any Processing Fees not paid by the Borrower shall be recovered by KMCL while disbursing the Loan. Any such Charges/Fees/Tax should be paid to KMCL by the Borrower forthwith upon debit. Even if the Borrower chooses not to avail of the Loan, the Borrower shall remain liable to pay KMCL the Processing Fees.

- c. Further, such Processing Fees will not be refundable under any circumstances.
- d. The Borrower shall also pay KMCL applicable documentation charges and all such charges mentioned in the Agreement. All charges/fees will be subject to applicable Tax.

**9. INSURANCE:**

- a. Borrowers and guarantors of KMCL who wish to obtain life insurance cover for insuring the lives of the borrowers shall be free to opt for insurance coverage voluntarily.
- b. KMCL will not, under any circumstance, insist that its borrowers/guarantors avail of the insurance coverage.
- c. KMCL may administer life insurance through selected insurance companies, the list of which may change from time to time. Subject to the guidelines of the concerned insurance company, such insurance would cover the lives of borrowers. Borrowers who wish to opt for such insurance coverage should peruse the relevant booklet containing the details of insurance companies with whom KMCL has tie-up, the structure of the sum assured, the rate of insurance premium etc. and clearly understand the benefits and demerits of the insurance coverage before opting for insurance coverage.
- d. KMCL shall be a mere corporate agent concerning such insurance arrangement, and all issues of such insurance coverage, including the insurance premium, eligibility norms, insurance claims etc., shall be governed by the terms and conditions of the Master Policy of the concerned insurer.
- e. Insurance coverage will not be available in case of drop-out or pre-closure of the Loan.
- f. All matters related to the Policy are subject to the terms and conditions of the Insurer.
- g. Any borrower opting for such life insurance being administered by KMCL may pay the applicable premium amount either by depositing with KMCL or by authorising KMCL to deduct from and out of the proceeds of the Loan for onward payment to the concerned Insurer(s).
- h. If the Borrower authorises KMCL to deduct the premium from and out of the Loan's proceeds, the receipt shall be issued by KMCL by making suitable entries in the loan card. However, nothing contained herein shall cast any obligation on KMCL to insure the life of the Borrower or to renew the policy/ies.
- i. The Borrower shall be solely responsible for obtaining a credit shield, insuring his/her life and getting such policy/ies renewed from time to time.
- j. KMCL reserves the right (but not bound) to pay the premium on behalf of the Borrower in case of the Borrower's failure and get such amounts reimbursed by the Borrower.
- k. KMCL shall have the right to receive and adjust any payment that KMCL may receive in connection with any insurance policy/ies against the Loan and alter the Repayment Schedule as set out in the Facility Documents in any manner as it may deem fit notwithstanding anything to the contrary contained in the Facility Documents or any other document or paper.

**10. PRE-CLOSURE/PRE-PAYMENT:**

KMCL may, at its discretion, allow the Borrower to pre-close the Loan subject to the terms and conditions stipulated by KMCL from time to time.

**11. RESTRICTION OF LIABILITY:**

- a. KMCL is not bound to disburse the Loan even if sanctioned unless the Borrower conforms to the Conditions Precedent (discussed hereunder) and the terms and conditions governing the Loan.

- b. If the Borrower fails to comply with any of the terms and conditions governing the Loan, or if KMCL believes that the Borrower is not compliant with any terms and conditions governing the Loan, KMCL may cancel the Loan at its discretion, even if the Loan is disbursed in full or in part.
- c. The Borrower shall continue to remain at all times liable and responsible for ensuring the payment/repayment of all PI of Outstandings on or before the relevant Due Date(s) without any further notice/intimation being given by KMCL at such place/s as KMCL may specify, without any deductions whatsoever to enable KMCL to realise the amounts due on fully or before the respective Due Date(s).
- d. Credit for payments by any method will be given only after realisation, on the Due Date(s) occurring after such realisation.
- e. The acceptance by KMCL of any payment which is less than the full PI shall not constitute a waiver of KMCL's right to receive payment in full at such time or at any subsequent time or a waiver of any other rights whatsoever of KMCL.

**12. REPRESENTATION AND WARRANTIES:**

- (a) Each of the Borrowers shall be deemed to have declared, represented and warranted on a continuing basis that:
  - i. he/she is entitled and empowered to borrow the Loan and execute the Facility Documents;
  - ii. no civil or criminal proceedings (including but not limited to insolvency proceedings) is/are concluded or initiated or pending or threatened against him/her or his/her assets;
  - iii. he/she is not a defaulter/wilful defaulter or facing any proceedings for declaring as defaulter/wilful defaulter and, if any lender initiates or threatens any action for declaring him/her as wilful defaulter, KMCL shall have the right to take appropriate proceedings against him/her,
  - iv. the purpose for which the Loan is taken is not illegal, speculative or nefarious;
  - v. the Loan shall be utilized only for the purpose for which it is sanctioned, and shall not be used for any illegal, anti-social, speculative purposes including but not limited to participation in stock markets/IPOs etc.
  - vi. he/she has paid and will pay when due, all public demands such as income tax, property taxes and all the other taxes and revenues payable to the Government of India or to the government of any state or to any local authority and that at present there are no arrears of such taxes and revenues due and outstanding,
  - vii. except to the extent disclosed to KMCL in writing he/she is not a Director or relative of a Director or Senior Official of KMCL or any other bank and no Director or Employee of KMCL or any other bank or their relative has any substantial interest in the activities carried out by him/her.
  - viii. the Borrower shall submit to KMCL a certification, in such form, mode and manner stipulated by KMCL, regarding the end use of the Loan, and KMCL shall have the right to take appropriate measures (including criminal action) against the Borrower if such certification is found to be wrong,
  - ix. the Borrower shall permit and cause to be permitted KMCL to inspect the premises of the Borrower to ascertain end use of the Loan.

### **13. CONDITION PRECEDENT:**

- (a) KMCL shall make any disbursement under the Loan subject to the fulfilment of the following conditions:
- i. The Borrower meets KMCL's requirement of creditworthiness. KMCL shall be entitled to make or cause to be made market inquiries or Credit Bureau checks of such nature as KMCL may deem fit in this regard, and, further, it shall be entitled to call for such credentials from the Borrower as may be required.
  - ii. The Borrower is in compliance with all the terms and conditions under the Facility Documents, and non-existence of any default or breach under the Agreement or the existence of any circumstance which may make it improbable for the Borrower to fulfil his/her obligations under the Facility Documents.
  - iii. Concerning the Borrower, the absence of any pending, ongoing or threatened proceedings which, if adversely determined, may have an adverse effect on:
    - a. the ability of the Borrower to comply with the Facility Documents, or
    - b. the interests of KMCL.
    - c. Execution, filing, registration and delivery, by the Borrower, of all Facility Documents in the form, manner and substance acceptable to KMCL.
  - iv. If required by KMCL, or under the provision of any law, the Borrower is to satisfy KMCL of such evidence as may be acceptable to KMCL about the utilisation of the proceeds of the prior disbursements (if any) under the Loan, and that the disbursement is required for and shall be utilised only for the purpose for which the Loan is sanctioned.

### **14. EVENT OF DEFAULT:**

- a. The occurrence of any of the following events shall constitute an event of default ("Event of Default")
- i. Non-payment of amounts payable under the Facility Documents (including but not limited to PI) on the relevant Due Date thereof or where any Standing Instruction is not renewed before the relevant Due Date or if any payment made by the Borrower to KMCL falls short of the payment required to be made by the Borrower concerning the amount due from the Borrower to KMCL.
  - ii. Breach of any terms and conditions of the Facility Documents.
  - iii. Any information given by the Borrower to KMCL while availing the Loan or as confirmed in the Facility Documents is/are found to be misleading or incorrect.
  - iv. The Group undergoes any change due to the drop out of any member or addition of any member, or the declared activity of the Group undergoes any change.
  - v. Failure of the Borrower to inform KMCL of the occurrence of any Event of Default or any event which, after the notice or lapse of time, or both, would become an Event of Default.
  - vi. Any default by any of the Borrower under any credit facility agreement or arrangement entered into by the Borrower with KMCL, any bank and/or financial institution/non-banking financial company and/or other



creditors, either under the Facility Documents or vice-versa (“Cross Default”).

- vii. Initiation or threatening of any proceedings for declaring the Borrower as insolvent or wilful defaulter or passing of any order passed against the Borrower thereunder.
  - viii. One or more events, conditions or circumstances exist or shall have occurred which will have a Material Adverse Effect on the Loan.
- b. The decision of KMCL as to whether or not an Event of Default has occurred will be final and binding upon the Borrower.
  - c. The Borrower shall promptly notify KMCL in writing upon becoming aware of any default and any event which constitutes (or, with the giving of notice, the lapse of time, determination of materiality or satisfaction of other conditions, would be likely to constitute) an Event of Default and the steps, if any, being taken to remedy it.
  - d. KMCL is not obligated to provide any statements of the Loan account to the Borrower during the course of the Agreement or the Loan (or after the closure of the Loan) unless specifically requested by the Borrower.
  - e. The Borrower shall have to pay such charges for this service as may be decided by KMCL from time to time.
  - f. Without being obligated to do so, KMCL shall be entitled to monitor the use/end use of the Loan, including through any auditor(s) or consultant(s) with necessary certification from them, as appointed by KMCL at its sole discretion and the cost of the Borrower.

#### **15. REMEDIES OF KMCL:**

The remedies discussed herein shall be without prejudice to the rights and remedies available to KMCL under equity and Applicable Law.

- a. Suppose one or more events specified in this clause shall have occurred. In that case, KMCL may, by issuing 7 (Seven) days’ notice in writing to the Borrower declare that the principal amount of the Loan and all accrued Interest has become payable forthwith by the Borrower to KMCL and KMCL may at its sole discretion terminate the Agreement.
  - i. Failure of Borrower to pay the loan or processing fee, insurance charge and insurance premium or if any PI or any other amount due remains unpaid for a period of 30 (Thirty) days from the Due Date;
  - ii. Breach of the term and conditions and covenants under the Agreement or this Terms and Conditions by the Borrower;
  - iii. Any information/document submitted by the Borrower to KMCL is found false or incorrect;
  - iv. Adverse material change of the Borrower, as a result of which KMCL deems itself to be insecure or the Borrower has been declared insolvent, or there exists any other circumstance which, in the sole opinion of KMCL, jeopardises KMCL’s interest;
  - v. Usage of proceeds of the Loan by the Borrower for any purpose which may be deemed as illegal, antisocial, or speculative purpose including but not limited to participation in stock markets/ IPOs;
  - vi. Proceedings for misconducts are taken against the Borrower by any Government, Quasi Government or other authority; or
  - vii. If the whereabouts of the Borrower are not known to the Group members for 30 (Thirty) days or more.
- b. Suppose the Borrower fails to pay any monies on the Due Date or which may be declared due before the Due Date or commits any other default under any agreement

(including the Agreement) in favour of KMCL. In that case, KMCL shall, without prejudice to any of its rights under each of the agreements, be entitled to exercise all or any of its rights under any of the agreements entered into by the Borrower in favour of KMCL and/or withhold applicable amount/documents of the Borrower and terminate without any notice to the Borrower, any of the agreement (including the Agreement) in favour of KMCL at the sole discretion of KMCL.

**16. KMCL'S RIGHTS:**

- a. KMCL shall have the right to retain or destroy, at its discretion, the documents/information submitted by the Borrower in connection with the Loan upon closure.

**17. ASSIGNMENT:**

- a. The Borrower shall not be entitled to assign his/her rights and/or obligations under the Facility Documents to anyone. However, KMCL shall be at liberty to assign its rights and/or obligations, or to shift, at its discretion, without notice to the Borrower, from time to time a part or portion or whole of the Outstandings in the limit/s of the Loan (hereinafter referred to as the "Participation") to one or more scheduled commercial banks (hereinafter referred to as the "Participating Bank/s") under the provisions of the Uniform Code Governing Inter Bank Participations, 1988, or its amendments (copy of which can be had from KMCL against requisition), which the Borrower shall be deemed to have read and understood. The Participation shall not affect the rights and obligations, inter se, Borrower and KMCL in respect of the Loan, in any manner whatsoever.
- b. The Borrower shall not have and shall not claim any privity of contract with any such Participating Banks.
- c. KMCL shall, and continue to, represent the Participating Banks in all respects and for all matters arising from/relating to the Participation.

**18. DISCLOSURE:**

- a. KMCL shall respect the privacy of data of the Borrower. Notwithstanding the same, KMCL shall be entitled to disclose any information and data relating to Borrower (including personal sensitive data or information and any information that requires a consent under the Information Technology Act, 2000/2008 and/or any other statute) and/or the loan availed and/or the defaults (if any), to:
  - i. any group entity, employees, agents, representatives etc. of KMCL;
  - ii. third parties engaged by KMCL or any of its group entities;
  - iii. any rating agency, insurer or insurance broker of, or direct or indirect provider of credit protection to KMCL or its group entity;
  - iv. any service provider or professional adviser of KMCL or its group entity with the rights to further share it with their sub-contractors in any jurisdiction;
  - v. any credit bureau, Credit Information Companies, database/databanks, corporate, banks, financial institutions etc.;
  - vi. any authority or other entity as required by law or any authority;
  - vii. any other person to (or through) whom KMCL assigns or transfers or novates (or may potentially assign or transfer or novate) all or any of its rights and obligations under the Facility Documents;
  - viii. RBI or any Government or any other regulatory Authorities/Bodies/ Departments; and/or
  - ix. any court or judicial, statutory authority/tribunal.

- b. The above persons may use and process the information and data disclosed by KMCL as deemed fit them. KMCL shall have the right to disclose/submit the 'financial information' as defined under the Insolvency and Bankruptcy Code, 2016 (or any amendments thereto). The Rules framed thereunder, concerning the Loan transaction, to Information Utilities ("IU"). The Borrower should promptly authenticate such 'financial information' submitted by KMCL, as and when requested by the concerned IU.

**19. GOVERNING LAW & JURISDICTION:**

These Terms and Conditions and the Facility Documents shall be construed following the law in force in India. If any controversy or dispute between the Parties in the performance, interpretation or application of these Terms and Conditions and/or the Facility Document involving any matter, the same may be resolved amicably between the Parties. Any or all disputes arising out of these Terms and Conditions and the Facility Documents shall be subject to the sole and exclusive jurisdiction of the Courts and Tribunals within the jurisdiction of Coimbatore, where the corporate office is situated and where all the loan-related processes happen.

**20. NOTICE:**

- a. Any notice, request, or communication to be given or made by a party to the other shall be in writing and sent to the concerned party(ies) at the address mentioned/specified in the Agreement/Loan card/application.
- b. The notice/request/communication sent by the Borrower should be by way of pre-paid registered AD post/speed post and to be sent to the registered office address of KMCL (*22/2, 2nd STREET, NEHRU NAGAR, BEHIND CMS SCHOOL, GANAPATHY COIMBATORE NORTH, COIMBATORE, TAMIL NADU 641006*) and shall be deemed to have been received by KMCL, when KMCL shall have received it at the address.
- c. The notice/request/communication sent by KMCL may be sent in any manner that KMCL may deem fit and proper (in its sole and absolute discretion). The same shall be deemed to have been received by the Borrower:
  - i. if given by post on the expiration of 2 (Two) days after the same shall have been delivered to the post office, and for proving the service, it shall be sufficient to show that the envelope containing the notice was properly addressed and posted and
  - ii. if delivered personally, when left at the address of the Borrower (mentioned in the Agreement), and a certificate by an officer of KMCL who sent such notice or communication that the same was so given or made shall be final, conclusive and binding, the Borrower.

**21. MISCELLANEOUS:**

- a. KMCL shall, without prejudice to its rights to perform such activities itself or through its officials or employees, be entitled and have full powers and have authority to appoint one or more third parties of KMCL's choice to transfer and delegate to such parties the right and authority to collect on behalf of KMCL the instalments, charges, unpaid amount and other sums due to KMCL under the Facility Documents.
- b. A demand promissory note must be executed by the Borrower/Guarantor/JLG in favour of KMCL for the Loan Amount if so stipulated by KMCL without any demur as and when called upon to do so by KMCL.

- c. Any amendment/alteration/modification in the Loan, the rate of Interest, Amount of Instalment, Number of Instalments or any other condition related to the Loan shall be deemed to have been substituted here in the Facility Documents immediately upon such amendment/alteration/modification by KMCL.
- d. The Borrower shall comply, jointly and severally, with all applicable laws and regulations from time to time in force, including any amendments, modifications or changes thereof which may be made to any such laws and regulations.

**22. OTHER CONDITIONS:**

- a. In case the Borrower has to discontinue the activity for which the Loan was availed for any reason attributable to his/her default, negligence, misbehaviour or otherwise, or by an act of God or due to unforeseen circumstances or and becomes incapacitated to continue the activity for which the Loan was availed, the Outstandings under the Loan shall be repaid, immediately, upon demand by KMCL.
- b. The Borrower shall inform KMCL of any change in his/her financial condition that will likely affect KMCL's decision to continue the Loan. For this purpose, the Borrower shall furnish to KMCL on an annual basis copies of the income-tax returns or any payment of tax and or such other documents as may be requested by KMCL.
- c. The Borrower shall promptly give written notice to KMCL of
  - i. any dispute which might arise between the Borrower and any person or any governmental body or authority relating to;
  - ii. any material circumstances affecting the ability of the Borrower to repay the Loan in the manner stipulated by KMCL.
- d. On KMCL's request, the Borrower shall do, perform and execute such acts, deeds, matters and things as KMCL may stipulate from time to time.
- e. The Borrower shall be deemed to have confirmed that the documents and true copies submitted to KMCL are genuine. KMCL shall have the right, at any time, to call for or require verification of originals of any/all such copies.
- f. The Borrower shall jointly and severally bear all costs of making suitable any deficit in stamp duty on the Facility Documents and other documents executed concerning the Loan.

**23. OTHER DISCLOSURES:**

- a. KMCL is committed to transparency and Fair Lending Practices.
- b. The Borrowers are not under obligation to sign the Agreement or other documents forming part of the loan transaction unless all blank spaces therein are duly filled in with relevant particulars to the satisfaction of the Borrowers.
- c. KMCL never insists the Borrower submit any document, instrument or valuable items other than what is discussed in these Terms and Conditions.
- d. KMCL does not take any deposits by any means.
- e. KMCL issues a receipt for any amount collected from the Borrowers.
- f. No Security Deposit/ Margin is being collected from the Borrower.
- g. There will be no penalty charge for delayed payments.
- h. The moratorium between the grant of the Loan and the Due Date of repayment of the first instalment is more than the repayment frequency.
- i. The pricing of the Loan involves only three components viz; the interest charge, the processing charge and the insurance premium (which includes the administrative charges in respect thereof).
- j. Customers facing serious debt repayment problems for reasons beyond their control can approach the branch to reschedule their Loans.

- k. The grant of the Loan is not linked to any other product/services offered by KMCL or a third party.

#### **24. GRIEVANCE CELL**

The Borrowers may contact the helpline number 0422-3561947 for clarifications or if they observe inappropriate behaviour or demands which do not conform to the above referred Other Disclosures by any of the staff of KMCL. The Borrower may also approach the Corporate Officers of KMCL at the corporate office(changes in the contact particulars shall be updated on the Website, and the Borrower is advised to visit the Website or to contact the branch of KMCL for the latest contact particulars of the head officers):

**Mr A Gopinath**  
**Head – Operations**  
**22/2, 2nd STREET, NEHRU NAGAR,**  
**BEHIND CMS SCHOOL,**  
**GANAPATHY COIMBATORE NORTH, COIMBATORE,**  
**TAMIL NADU 641006**  
**Phone: 7305013189**

*(The Borrower is informed that a copy of these Terms and Conditions is available at branches of KMCL for reference purposes. The Borrower is expressly informed that he/she is not under obligation to accept/acknowledge/agree to/sign the Facility Documents (which includes these Terms and Conditions) unless he/she reads, understands and convinces himself/herself about the terms and conditions of the Facility Documents. He/she is thoroughly agreeable with the clauses therein.)*