

GENERAL TERMS AND CONDITIONS OF LOAN

I have accepted these general terms and conditions (“T&C”) in respect of the loan provided to me by DMI Finance Private Limited, having its registered office at Express Building, Third Floor, 9-10, Bahadur Shah Zafar Marg, New Delhi – 110002 (“DMI”) which shall mean and include its successors and assigns by entering the one-time password (“OTP”) sent by DMI for acceptance of these T&C and that these shall be binding on me. A translated copy of this T&C in the relevant vernacular language as available on DMI’s website and also can be made available to me on demand.

1. DEFINITIONS AND INTERPRETATION

1.1. Definitions

The terms and expressions contained in this T&C and the Loan Application are defined as under:

- (i) “**Additional Securities**” shall have the meaning ascribed to it in Clause 5.14 of this Agreement.
- (ii) “**Availability Period**” means the period within which the Borrower can request a drawdown of Sanctioned Loan, as provided in the Key Fact Statement.
- (iii) “**Borrower**” means the borrower/ applicant as described in the Key Fact Statement and includes any legal heirs, successors in interest and permitted assignees (as applicable).
- (iv) “**Borrower’s Dues**” means all sums payable by the Borrower to DMI, towards Sanctioned Loan, including without limitation, any outstanding principal amount, Interest, and any other charges, costs and expenses payable in respect thereof in accordance with the Financing Documents.
- (v) “**Credit Bureau Agency**” means any RBI approved credit information companies including without limitation, TransUnion CIBIL Limited, Equifax, CRIF High Mark and Experian.
- (vi) “**Cooling off Period**” means period, as specified in the relevant Key Fact Statement, and given to Borrower for exiting from disbursed Sanctioned Loan in case a Borrower decides not to continue with such Sanctioned Loan.
- (vii) “**Demat Account**” shall mean demat account opened with the Participant.
- (viii) “**Depository**” shall have the meaning ascribed to such term under Section 2(e) of the Depositories Act, 1996.
- (ix) “**Depository Regulations**” shall mean the SEBI (Depositories and Participants) Regulations, 1996, as may be amended from time to time.
- (x) “**Deposited Documents**” means, in digital form: (a) in respect of Securities (including Additional Securities) which are shares and debentures: (A) the pledge form which shall be filed with the Participant for the creation of the pledge over such Securities; (B) the intimation received or to be received from the Depository of the Borrower confirming the creation and the noting of the pledge over the Securities, in favour of DMI and the transfer of the Securities from the “free balances” to the “pledged balances”; (C) pledge master report, pass book, certified copy of the statement of accounts in respect of the Securities, issued or to be issued by the Participant together with letters from the Participant confirming the holding of the Securities by them as the beneficial owner thereof; (D) the irrevocable power of attorney; and (E) any other documents relating to and any distributions and accretions in respect of the Securities that are required to be deposited and pledged pursuant to this T&C; and (b) in respect of Securities



(including Additional Securities) which are units of the mutual funds: (A) the application to the registrar and transfer agent for the mutual fund or the asset manager of the mutual fund for recording the charge/ lien marking on such Securities; and (B) the intimation to be received from the registrar and transfer agent for the mutual fund or the asset manager of the mutual fund confirming the noting of charge/ lien marking on the units in favour of DMI in its records.

- (xi) **“Due Date”** means in respect of any payment in respect of any Borrower’s Dues means the date on which any amount is due from the Borrower to DMI in respect of any Sanctioned Loan in accordance with the Financing Documents.
- (xii) **“EPI”** means the equated or fixed amount of repayments, consisting of both the principal and Interest (if applicable) components, to be paid by the Borrower towards repayment of the Sanctioned Loan at periodic intervals for a fixed number of intervals or as a single repayment installment towards the outstanding Sanctioned Loan (in each case as provided in the Key Facts Statement) along with the Interest (if applicable), which will in each case result in complete amortization of the Sanctioned Loan within the tenure of such Sanctioned Loan.
- (xiii) **“Event of Default”** shall have the meaning ascribed to in Clause 6.1.
- (xiv) **“Financing Documents”** mean this T&C, the Sanction Letter, the Loan Application, the Key Fact Statement, Security Documents, including the annexures hereto and any documents executed by the Borrower or as required by DMI, as amended from time to time.
- (xv) **“Interest”** means the interest payable, if any, on the outstanding principal amount of such Sanctioned Loan at the rate and in the manner provided in the relevant Key Facts Statement.
- (xvi) **“Key Fact Statement”** means a statement of key facts and terms of a Sanctioned Loan, in simple and easier to understand language, provided by DMI to the Borrower, from time to time, in a standardized format as prescribed under applicable law, containing, apart from other necessary information, details of annual percentage rate, details of collection agency, if any, details of grievance redressal officer, Cooling off Period, etc.
- (xvii) **“Late Payment Fees”** means bounce charges payable by the Borrower in case of occurrence of default by reason of dishonor of cheque or any Mandate as mentioned in the Key Facts Statement, for each event of such dishonour.
- (xviii) **“Loan Application”** means the application in the prescribed form as submitted by the Borrower to DMI for seeking the Sanctioned Loan.
- (xix) **“Margin”** means the excess, from time to time, of Market Value of the Securities which are charged/ pledged in favour of DMI, required to be maintained over the Borrower’s Dues at any point of time.
- (xx) **“Margin Call”** means a demand by DMI calling upon the Borrower to make payment in cash to DMI and/or provide Additional Securities for maintaining the Margin.
- (xxi) **“Market Value”** means (a) in relation to Securities other than Mutual Funds Units, the market price of such Securities obtained from the Stock Exchange on real time basis; and (b) in relation to Mutual Fund Units, the market price calculated on the basis of the Net Asset Value obtained from Association of Mutual Funds in India.
- (xxii) **“Material Adverse Effect”** means any event which would have an adverse effect on (i) Borrower’s ability to pay the Borrower’s Dues; or (ii) DMI’s rights and remedies under the Financing Documents; or (iii) recoverability of the Borrower’s Dues. Any determination by DMI on whether an event should be treated Material Adverse Effect will be binding on the Borrower.



- (xxiii) **“Mandate”** meaning assigned in Clause 4.1 herein under.
- (xxiv) **“Mutual Fund”** means a mutual fund or funds registered with the Securities Exchange Board of India (SEBI).
- (xxv) **“Mutual Fund Unit(s)”** means the interest of the unit holders in a Mutual Fund, which consists of each unit representing one undivided share in the assets of a Mutual Fund.
- (xxvi) **“Net Asset Value”** or **“NAV”** in respect of a Mutual Fund, means the market value of the assets of the scheme minus its liabilities. The per unit NAV is the net asset value of the scheme divided by the number of units outstanding on the valuation date. The NAV shall be as disclosed on the Association of Mutual Funds in India (AMFI) or website or any other source acceptable to DMI, on daily basis.
- (xxvii) **“Overdue Charges”** means the penal charges as prescribed in the relevant Key Fact Statement which is payable on all amounts which are not paid on their respective Due Dates. The Overdue Charges will not be capitalized by DMI i.e., no further interest computed on such Overdue Charges.
- (xxviii) **“Participant”** shall have the meaning given to it in Section 2(1)(g) of the Depositories Act, 1996.
- (xxix) **“Privacy Policy”** means DMI’s privacy policy as available at <https://www.dmifinance.in/privacy-and-security>.
- (xxx) **“Purpose”** means permitted utilization of the Sanctioned Loan as mentioned in the Key Fact Statement.
- (xxxi) **“RBI”** means Reserve Bank of India.
- (xxxii) **“Sanctioned Loan”** shall mean the amount which can be drawdown by the Borrower in accordance with the Financing Documents and the Key Facts Statement issued for such sanctioned loan. The amount available for drawdown will be calculated after applying agreed margin on Market Value of approved Securities which are charged/pledged in favour DMI from time to time.
- (xxxiii) **“Securities”** means any dematerialized listed shares, units of mutual funds, bonds and other securities as decided and accepted by DMI and pledged in favour of DMI, from time to time, and includes the securities and as detailed in Key Fact Statement, and any other securities accepted in replacement and in addition to the aforesaid hereto and/ or the Additional Securities, as the context requires.
- (xxxiv) **“Security Documents”** means all deeds, memoranda, documents, and all other instruments, by whomsoever executed, by which security interest is created in favour of the Security Trustee, including any instructions given to any Depository or Participant or asset manager for the mutual fund or registrar or transfer agent for a mutual fund for creation of security interest on any Securities and includes the Deposited Documents.
- (xxxv) **“Security Trustee”** means Knab Finance Advisors Private Limited, a company incorporated under the provisions of Companies Act, 2013, bearing corporate identification number U65100KA2015PTC083383, registered as a Non-Banking Finance Company with the Reserve Bank of India and having its registered office at No. L 127, 4th Main 14th Cross, VI Sector, HSR Layout, Bangalore, Karnataka, India - 560102 and its corporate office at A-31, Hauz Khas, New Delhi, India - 110016, acting in its capacity as the security trustee for the Lender.



- (xxxvi) **“Security Trustee Agreement”** means the security trustee agreement dated on or about the date hereof entered into between the Borrower, DMI and the Security Trustee for the appointment of the Security Trustee as the security trustee for the Sanctioned Loan.
- (xxxvii) **“Stock Exchange”** means the stock exchanges in India where the Securities are listed and traded.

1.2. Interpretation

In this T&C:

- (i) the singular includes the plural (and vice versa); and
- (ii) reference to a gender shall include references to the female, male and neutral genders, as applicable.

2. SANCTION AND DISBURSEMENT

- 2.1. Basis the representations made by the Borrower in the Financing Documents, including the Loan Application, DMI has agreed to provide the Sanctioned Loan to the Borrower on the terms set out in the Financing Documents. DMI shall have the sole and absolute discretion to allow or reject such request. In the event, DMI approves such request, the same shall be made available as a Sanctioned Loan in accordance with the Financing Documents (including the Key Fact Statement issued in respect of such Sanctioned Loan).
- 2.2. The Borrower understands that (i) disbursement of the Sanctioned Loan is subject to completion of Borrower verification and checks by DMI to its satisfaction in accordance with its internal processes and in the event such verification is not satisfactory, DMI shall be entitled to cancel the Sanctioned Loan; (ii) the Sanctioned Loan, if not cancelled, shall be disbursed after completion of verification and checks by DMI to its satisfaction in accordance with its internal processes. The Borrower understands that the Sanctioned Loan provided to the Borrower is as per DMI's internal criteria and sole discretion and may be cancelled or revoked by DMI at any time at its sole and absolute discretion. Any cancellation of any Sanctioned Loan shall be duly intimated to the Borrower.
- 2.3. The Sanctioned Amount shall, as and when requested by the Borrower or as provided in the Key Facts Statement, be disbursed to the bank account of the Borrower. Provided that if the Sanctioned
- 2.4. The Borrower shall pay non-refundable processing charges as stated in the Key Fact Statement, along with Goods and Services tax thereon, which may be retained from the Sanctioned Loan disbursed and shall be deemed to have been disbursed to the Borrower and the Borrower will accordingly be liable for entire Sanctioned Loan.
- 2.5. The Borrower can view details of their Sanctioned Loan, outstanding dues and make repayments through DMI's mobile application as well.
- 2.6. The Borrower shall be given an option to exit the disbursed Sanctioned Loan by paying the principal and the proportionate APR, without any penalty, during the Cooling off Period. For Borrower continuing with the Sanctioned Loan even after look-up period, pre-payment shall be allowed only with the prior approval of DMI and subject to such conditions and prepayment charges, as stipulated by DMI in the Key Fact Statement.
- 2.7. The Sanctioned Loan shall be drawn down only to the extent the Borrower has created charge/pledge on the Securities as is required to maintain the Margin at all times, including



after disbursement of the Sanctioned Amount. The value of the Securities to be pledged/ charged in the favour DMI from time to time prior to the disbursal of any amounts under the Sanctioned Loan. The decisions in respect of the valuation of the Securities, margin money and the actual disbursal under the Sanctioned Loan would be exclusively taken by DMI and will be binding on the Borrower.

- 2.8. Notwithstanding anything contained in this T&C, the Borrower agrees and confirms that DMI may, in its discretion from time to time and without assigning any reason, require the Borrower to furnish additional security as maybe acceptable to DMI, specify the Securities acceptable to it, declare as unacceptable any Securities accepted by it on an earlier occasion, change the requirements of scrip composition, criteria, maximum/ minimum number of scripts, Margin as acceptable to DMI and the Borrower shall be bound by the same.
- 2.9. Securities declared by DMI to be unacceptable shall nevertheless continue to be pledged/ lien marked/ assigned (whichever applicable) in favour of Security Trustee (for the benefit of DMI) unless they are released by Security Trustee (acting on the instructions of DMI) upon replacement of the same with acceptable Securities as are required to maintain the Margin.

3. INTEREST AND REPAYMENT

- 3.1. The Borrower will repay the outstanding Sanctioned Loan along with the Interest (if any) thereon by way of EPI on each Due Date during the tenure of the Sanctioned Loan as provided in Key Fact Statement. EPIs shall be as calculated by DMI as required for amortization of the Sanctioned Loan and Interest (if any) payable thereon within the specified tenure and not exceeding the maximum EPIs as provided in the Key Fact Statement. EPIs shall only be towards principal outstanding against the Sanctioned Loan and Interest (if any) thereon and does not include any penal charges/ Overdue Charges or any other charges payable by the Borrower pursuant to Financing Documents. The amount and date of the first EPI may change basis date of disbursement of the Sanctioned Loan and such revised date and amount will be intimated to the Borrower in advance of the Due Date for such payment. The Borrower shall also pay all other amounts and charges due as provided in Key Fact Statement. The Borrower's liability to DMI shall stand extinguished only when the outstanding in the loan account and all charges (as per the Key Facts Statement) have become nil.
- 3.2. In any event, in case the tenor of said loan is extended for whatever reasons beyond the original tenor, the Borrower shall be liable to pay the outstanding principal amount of the Sanctioned Loan along with Overdue Charges, Late Payment Fees and such other interest/ charges as are specified in the Key Facts Statement.
- 3.3. The payment of each EPI on time is the essence of the contract. The Borrower acknowledges that s/he has understood the method of computation of EPI and shall not dispute the same.
- 3.4. **In the event any EPI is not paid on its Due Date, the Borrower shall pay Overdue Charges thereon for the period of delay, as provided in the Key Facts Statement. The aforesaid is without prejudice to any other rights and remedies that DMI may have under this T&C or under applicable law in respect of default by the Borrower in payment of Borrower's Dues on Due Dates.**
- 3.5. Notwithstanding anything stated elsewhere in the Financing Documents, all Borrower's Dues, including EPI, shall be payable by the Borrower to DMI as and when demanded by DMI, at its sole discretion and without requirement of any reason being assigned. The Borrower shall pay such amounts, without any delay or demur, within 15 (fifteen) days of such demand.
- 3.6. DMI shall be entitled to revise the rate of Interest/ any other charges and DMI may recompute EPI/ the number of EPI for repayment of outstanding Sanctioned Loan and Interest. Any such



change as intimated by DMI to Borrower, shall be applicable prospectively and will be final and binding on the Borrower. In case of such revision the Borrower shall be entitled to prepay, within 30 (thirty) days of such revision, the entire outstanding Sanctioned Loan along with accrued Interest (if applicable), without any prepayment penalty.

- 3.7. The Borrower shall bear all duties, cess and other forms of taxes whether applicable now or in the future, payable under any law at any time in respect of any payments made to DMI under the Financing Documents. The Borrower shall be liable for all amounts due and all costs, duties, levies etc. incurred by DMI in enforcing the Financing Documents or in undertaking any recovery proceedings with respect to the Sanctioned Loans. The Borrower acknowledges that if any stamp duty is applicable to these T&C the Borrower shall be liable for the same. If any of the aforesaid duties, charges, taxes and costs are these are incurred by DMI, these shall be recoverable from the Borrower and will carry Overdue Charges from the date of payment till reimbursement.
- 3.8. Notwithstanding any terms and conditions to the contrary contained in the Financing Documents, the amounts repaid by the Borrower shall be appropriated firstly towards cost, charges, expenses and other monies; secondly towards Overdue Charges, if any; thirdly towards Interest; and lastly towards repayment of principal amount of the Sanctioned Loan.
- 3.9. Interest, Overdue Charges and all other charges shall accrue from day to day and shall be computed on the basis 30/360 day convention.
- 3.10. If the Due Date for any payment is not a business day, the amount will be paid by Borrower on immediately succeeding business day.
- 3.11. All sums payable by the Borrower to DMI shall be paid without any deductions whatsoever. Credit/ discharge for payment will be given only on realization of amounts due.
- 3.12. The Borrower acknowledges that the rate of Interest, penal/ Overdue charges, service charges and other charges payable and or agreed to be paid by the Borrower under Financing Documents are reasonable and acceptable to him/ her.

4. **MODE OF PAYMENT, REPAYMENT AND PREPAYMENT**

- 4.1. The Borrower shall, as required by DMI from time to time, provide electronic clearing service/ National Automated Clearing House (NACH) (Debit Clearing)/ any other electronic or other clearing mandate (collectively referred to as "**Mandate**") as notified by the RBI against Borrower's bank account for payment of dues. Such Mandate shall be drawn from such bank and from such account of the Borrower as is acceptable to DMI. The Borrower shall honor all payments without fail on Due Dates/ first presentation of the Mandate. Mandate provided by the Borrower may be utilized by DMI for realization of any Borrower's Dues. The Borrower hereby unconditionally and irrevocably authorizes DMI to take all actions required for such realization with or without advance intimation to the Borrower. The Borrower shall promptly (and in any event within 7 (seven) days) replace the Mandate and/ or other documents executed for payment of Borrower's Dues as may be required by DMI from time to time, at its sole discretion. In case of rejection of Mandate registration, the Borrower will also pay Mandate rejection charges as provided in the Key Fact Statement.
- 4.2. The Borrower shall, at all times maintain sufficient funds in his/her bank account/s for due payment of the Borrower's Dues on respective Due Dates. Borrower shall not close the bank account/s from which the Mandate have been issued or cancel or issues instructions to the bank or to DMI to stop or delay payment under the Mandate and DMI is not bound to take notice of any such communication. Any such instructions shall also be treated as an Event of Default.



- 4.3. The Mandate given by the Borrower shall be valid throughout the respective date of such Mandate and the Borrower shall not claim that the Mandate or such other mandate given by the Borrower is invalid due to any reason whatsoever.
- 4.4. The Borrower agrees and acknowledges that the Mandate have been issued voluntarily in discharge of the Borrower's Dues and not by way of a security for any purpose whatsoever. The Borrower also acknowledges that dishonor of any Mandate is a criminal offence under the Negotiable Instruments Act, 1881/The Payment and Settlements Act, 2007. The Borrower shall be liable to pay Late Payment Fees for each Mandate dishonour (as prescribed in Key Fact Statement).
- 4.5. Any dispute or difference of any nature whatsoever shall not entitle the Borrower to withhold or delay payment of any EPIs or other sum and DMI shall be entitled to present the Mandate on the Due Dates.
- 4.6. Notwithstanding the issuance of Mandate, the Borrower will be solely responsible to ensure timely payment of dues.
- 4.7. Additionally, DMI will also accept payment through cheque/ cash (in accordance with the applicable laws)/ NEFT/ RTGS/other electronic modes of payment and the Borrower can choose to avail such options when required to make payment towards the Borrower's Dues. However, the Borrower agrees and acknowledges that in the event of payment of dues through modes other than the Mandate any additional charges for transactions shall be borne by and shall be recoverable from the Borrower.

5. SECURITY AND MARGIN

- 5.1. The Sanctioned Loan and Borrower's Dues shall be secured by the Borrower by creating a pledge/ charge on the Securities in favor of the Security Trustee (for the benefit of DMI) from time to time, till the payment of all such amounts in full by the Borrower to the satisfaction of DMI.
- 5.2. The Borrower hereby agrees to pledge and/ or charge by way of lien marking in favour of the Security Trustee (for the benefit of DMI) and agrees to keep pledged and charged by way of lien marking on first and exclusive charge basis in favour of Security Trustee (for the benefit of DMI), the Securities as may be required by DMI from time to time, including for making disbursements against the Sanctioned Loan and for maintenance of the Margin. The Borrower shall undertake such acts and execute and deliver such deeds and documents as may be required by the Security Trustee (acting on the instructions of DMI) for creating a pledge/ charge/ marking lien in favour of the Security Trustee (for the benefit of DMI) in respect of such Securities from time to time, including without limitation pursuant to the Depositories Act, 1996 and rules and regulations thereunder.
- 5.3. Procedure for creation of pledge over the Securities

For creation of the pledge over the Securities, the Borrower shall undertake the following:

- (i) Being the present beneficial owner of the Securities, the Borrower shall follow the procedure prescribed under Regulation 58 of the Depository Regulations for creating pledge with respect to the Securities in favour of the Security Trustee (for the benefit of DMI). Without prejudice to the generality of the foregoing, the Borrower shall issue such request, including the securities pledge request form/ transfer forms to the Depository through the Participant, requesting the creation of the pledge, and signing such other documents and doing all such acts, deeds and things as shall be necessary in accordance with the Depository Regulations to effect the pledge of the Securities in favour of the Security Trustee (for the benefit of DMI). Forthwith upon the



Depository recording and registering in its register the pledge of the Securities in the name of the Security Trustee (for the benefit of DMI) confirming the creation of the pledge in its records to the Depository, the pledge shall be deemed to have been duly created in favour of the Security Trustee (for the benefit of DMI) and the Borrower shall ensure that all the documentary and other evidence and entries are recorded in terms of Regulation 58 of the Depository Regulations, and the name of the Security Trustee (for the benefit of DMI) is registered by the Participant as the pledgee so as to ensure that effective and valid pledge on the Securities is created in favour of the Security Trustee (for the benefit of DMI). The Borrower shall do all such actions and execute such documents and agreements as may be necessary for the valid creation and perfection of the pledge in accordance with the terms of the Financing Documents.

- (ii) Upon the successful completion of the procedures prescribed in clause (i) above, the Borrower acknowledges that the pledge over the Securities in favour of the Security Trustee (for the benefit of DMI) shall come into effect. Upon the creation of the pledge in favour of the Security Trustee (for the benefit of DMI), all rights, title, claims, demand, benefits and interests, including without limitation the right to proceeds of sale and other realization of the Securities or such part thereof of the Borrower shall be automatically transferred in favour of the Security Trustee (for the benefit of DMI) in accordance with the terms of the Financing Documents. The Borrower shall also deposit the Deposited Documents at the time of the execution of the Financing Documents. The decision as to valuation of the Securities shall be in the exclusive discretion of the Security Trustee (for the benefit of DMI) and will be binding on the Borrower.
- (iii) DMI/ Security Trustee (for the benefit of and acting on the instructions of the Lender) reserves the right to take any action as may be deemed reasonable necessary for the protection and/or perfection of the security by way of pledge over the Securities, including without limitation, following an Event of Default, to transfer the Securities in the name of DMI and/or its nominees during the continuance of the pledge in accordance with the provisions of the Financing Documents.

5.4. Without prejudice to generality of the foregoing clause, if the Borrower is required to pledge / charge charge/ lien mark at any time or from time to time any Securities in favour of the Security Trustee (for the benefit of DMI), the Borrower shall deliver to the Security Trustee the Deposited Documents relating to such Securities along with such further documents indicating the entry for the pledge/ charge/ lien marked in respect of such Securities and any other documents which in the opinion of Security Trustee (acting on the instructions of DMI)/ DMI is necessary for the creation or perfection of the security expressed to be created under or pursuant to the T&C and which are acceptable to DMI/ Security Trustee (acting on the instructions of DMI) and thereafter, such Securities, including the Additional Securities, shall comprise the charged and pledged Securities under T&C. Notwithstanding the above, all further or Additional Securities which shall/ may be pledged/ charged/ lien marked in favour of the Security Trustee (acting on the instructions of DMI) as well as other accretions, entitlements and benefits in respect of the Securities which are pledged/ charged in favour of the Security Trustee (acting on the instructions of DMI), including without limitation, all bonus shares, dividend, interest, preferential entitlements, split shares, redemption amounts and so on shall be deemed to be pledged/ charged/lien marked in favour of the Security Trustee (acting on the instructions of DMI) pursuant to this T&C. The terms and conditions of this T&C shall, without any further act, instrument or deed, apply to all such accretions, entitlements and benefits in respect of the Securities (including Additional Securities) as if they had originally been pledged/ charged/ lien marked in favour of the Security Trustee (acting on the instructions of DMI) pursuant to the T&C.

5.5. **Changes to Pledged Securities**

If the pledge over the Securities created by the Borrower under the Financing Documents are to be withdrawn from the pledge created in favour of the Security Trustee (acting on the



instructions of DMI), or in case any Additional Securities are pledged by the Borrower in addition to existing pledge or in substitution of any pledge withdrawn, the procedure laid down under Clause 5.3 of this T&C shall be followed, including without limitation, in the case of Additional Securities, the Borrower shall execute a confirmation letter in favour of the Security Trustee (acting on the instructions of DMI) in the form and manner specified by DMI/ the Security Trustee (acting on the instructions of DMI).

- 5.6. In the event the Sanctioned Loan is secured by individual insurance policies units/ULIPs, the Parties herein agree that upon the death of the Borrower, DMI shall be entitled (ahead of any other party) to receive the amounts from the proceeds from the ULIP and set-off the same against the Borrower's Dues. After DMI has set-off the Borrower's Dues along with accrued Interest, charges, dues, levies, expenses, claims, costs, and fees, any surplus amounts shall be handed over to the nominee of the Borrower.
- 5.7. The value of the Securities to be pledged/ charged/ lien marked in favour of the Security Trustee (for the benefit of DMI) from time to time prior to the disbursement of any amounts under the Sanctioned Loan shall depend on the discretion of DMI. The valuation of Securities, listing/delisting, margin money and actual Facility would be exclusive decisions of DMI and shall be binding on the Parties and the Security Trustee.
- 5.8. The Borrower agrees and undertakes that at any time during the continuance of this T&C, DMI/ the Security Trustee (acting on the instructions of DMI) may require the Borrower to replace/ substitute all or any portion of the Securities (as previously accepted by DMI) with new Securities which are approved and acceptable to DMI. The Borrower undertakes to comply with any/all such request of DMI/ the Security Trustee at any time during the continuance of this T&C.
- 5.9. The Borrower acknowledges that disbursements of Sanctioned Loan will be made available only after (i) the Security Trustee shall have received intimation from the Participant in terms of Regulation 58(4) of the SEBI (Depositories and Participants) Regulations, 2018, to the effect that the Depository has made an entry in its records of the creation of the pledge/ charged/ marking of lien in favour of the Security Trustee in respect of the Securities other than Mutual Fund units; and (ii) to the extent the Securities are units in Mutual Funds, the Security Trustee shall have received written confirmation from the relevant registrar for the Mutual Fund or the asset manager of the Mutual Fund confirming that it has recorded the lien in its records in respect of such units; all of which should provide DMI with charge/ pledge of Securities to the extent required by the Security Trustee (including as required to meet and maintain the Margin prior and post such disbursement).
- 5.10. The Borrower agrees and undertakes that, as and when required by DMI/ Security Trustee, he/she shall execute necessary documents for creating charge/pledge on the Securities and/or Additional Securities in favour of the Security Trustee (for the benefit of DMI) for securing the Sanctioned Loan.
- 5.11. The security interest created by the Borrower under the Financing Documents is a continuing security for the payment, discharge and performance of all obligations under the Financing Documents, including payment of Borrower's Dues, regardless of any intermediate payment or satisfaction by the Borrowers, or any indulgence, forbearance or waiver granted by DMI.
- 5.12. **Rights in respect of the Securities**
- (i) **Voting Rights**
- A. The Borrower may, unless an Event of Default has occurred and is continuing, exercise any voting rights in respect of the Securities, provided that the Borrower shall not vote in any



manner that is inconsistent with the terms of the T&C or which would give rise to an Event of Default, and will not vote in favour of any resolution which would have the effect of altering the rights of DMI and/ or Security Trustee or pursuant to this T&C, or the terms of the pledges/ charge/ lien marked or any rights attaching to the pledges/ charge/ lien marked or the Securities in any way. Upon occurrence of an Event of Default, any voting rights in respect of the Securities can only be exercised by DMI (including giving instructions for redemption of the Securities, as applicable), including cash corporate actions, viz. dividend, buyback proceeds etc. In case such cash receipts are directly received by the Borrower, the Borrower hereby agrees and binds themselves to immediately rePIt the same to DMI without being called for by DMI/ Security Trustee.

- B. Subject to the other provisions of this T&C, once Event of Default has occurred, the Security Trustee (acting on the instructions of DMI) shall be entitled to exercise all consequential rights (including voting rights) pertaining to the Securities.

(ii) **Dividends, interests, and other distributions**

So long as no Event of Default shall have occurred, the Borrower shall be entitled to receive and retain any and all dividends/interest paid in respect of the Securities provided however that any and all:

- A. Dividends/interest paid or payable other than in cash and other distributions property received, receivable or otherwise distributed in respect of, or in exchange for, any Securities;
- B. Dividends/interest / redemption amount and other distributions paid or payable in cash in respect of or in connection with any liquidation or dissolution or in connection with a reduction of capital;
- C. cash paid, payable or otherwise distributed in respect of the principal of, or in buy-back or redemption of, or in exchange for, any Securities;

shall (whether or not Event of Default shall have occurred and be continuing) be forthwith delivered to DMI to hold as part of the Securities and shall, if received by the Borrower, be received in trust for the benefit of DMI and shall be segregated from the other property or funds of the Borrower, and be forthwith delivered to DMI (in case of cash) or the Security Trustee (in case of Securities) as Securities in the same form as so received (with any necessary endorsement) and the Borrower agrees that there is no need for signing any additional supplementary pledge/charge/ lien marking/ document in this respect; and any cash received as above shall be adjusted against the Borrower's Dues.

5.13. **Margin of Security**

So long as any Borrower's Dues remain due from the Borrower, DMI may require the Borrower to maintain or cause to maintain with the Security Trustee (for the benefit of DMI) at all times the Margin by way of pledge/ charge in favour of the Security Trustee of Securities acceptable to DMI. DMI's determination of the Margin is and shall be conclusive, final and binding on the Borrower. The Borrower shall promptly, and at any event within 2 (two) days, comply with Margin Calls made by DMI/ Security Trustee from time to time. Provided that even during the notice period for the Margin Call, the Security Trustee (acting on the instructions of DMI) shall have the absolute right to sell all or part of the pledged/ charged Securities, immediately and without any further notice, as it may be deem fit, to recover up to the entire Borrower's Dues in case the loan-to-security value as mandated by DMI as per its internal policies from time to time is not maintained.

5.14. **Additional Security**

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Customer Portal - <https://portal.dmifinance.in/>

WhatsApp - 93506 57100 (<https://bit.ly/DMIFINWA>)

In the event that the Margin is not being maintained, or the Market Value of the Security falls, or under any other circumstances if DMI deems fit, the Borrower shall provide pledge/ charge over such additional securities as are acceptable to DMI (“**Additional Securities**”) and/or reduce/repay the Borrower’s Dues, or such portion thereof, to restore the Margin and the Borrower undertakes to provide such Additional Securities within 3 (three) day from the receipt of the notice from DMI/ the Security Trustee. The pledge/ charge over Additional Securities shall be created in the manner provided in this Agreement, including Clause 5.4 above and all terms applicable to the Securities under this T&C shall thereafter also be applicable to such Additional Securities.

5.15. If by error or otherwise, any of the Securities or any accretion or entitlements in respect thereof which are charged/pledged in favour of the Security Trustee (for the benefit of DMI), come to the possession of the Borrower without the authority of DMI, then the Borrower shall forthwith deliver/ pledge/ charge such Securities or any accretion or entitlements in favour of the Security Trustee (for the benefit of DMI), as may be required by DMI, and until the Borrower so delivers such Securities or any accretion or entitlements to the Security Trustee, he/she shall hold such Securities in trust on behalf of and for the benefit of DMI.

5.16. **Right of immediate sale**

Notwithstanding anything contained in any Financing Document, if the Margin is not maintained, notwithstanding any notice given by DMI for making up the Margin, the Security Trustee (acting on the instructions of DMI) shall have the right to, immediately and without reference to the Borrower, dispose off or liquidate the Securities by sale, redemption, or otherwise and cause all amounts so received to be deposited directly into the designated account of DMI, as notified by DMI to the Security Trustee in writing (“**Designated Account**”), provided that where any such amounts are received by the Security Trustee, the same shall be held by it in trust and for the benefit of DMI and the Security Trustee shall forthwith, and in any event within 2 (two) working days, transfer all such amounts into the DMI’s Designated Account towards the Borrower’s Dues, as may be required to ensure that the Borrower’s Dues is reduced to the extent required to maintain the Margin. In the event that the Security Trustee is unable to dispose off or liquidate the Securities by sale on the Stock Exchange or by repurchase/ redemption by the Mutual Fund (as the case may be) for any reason, DMI may dispose of the Securities by way of an ‘off-market transaction’ (disposal through a private sale) and all the costs incurred by DMI and/ or the Security Trustee for an off-market transaction shall be reimbursed by the Borrower, and/or by way of further assigning the insurance policy to a third party. In addition to the above, the Security Trustee (acting on the instructions of DMI) shall be entitled, but not obligated to, and the Borrower authorizes the Security Trustee to take on behalf of the Borrower, all actions that will be deemed necessary to mitigate any loss or preserve the Securities.

5.17. The DMI’s standard internal loan-to-security value criteria, stipulated margin standards and requirements, top-up and sell-out periods, requirements and procedures, are at all times determined by DMI in its discretion based on DMI’s internal policies prevailing from time to time, and that such internal criteria, standards, requirements and/or procedures shall be applied to the Borrower, and the Borrower shall be notified of any change thereof. In the event that the terms and conditions of the T&C are inconsistent with or contrary to such revised criteria, standards, requirements and/or procedures, DMI shall so inform the Borrower of such inconsistency and the terms of T&C shall thereafter be deemed to have been and shall stand amended or modified or replaced to the extent necessary without the requirement of any further action on the part of the Parties.

5.18. **Continuation of Liability of Borrower by the Legal heir(s) of the Borrower**



Where the Borrower, being a natural person, dies during the pendency of the Sanctioned Loan, the obligations of the deceased Borrower under this T&C and the Financing Documents and any other documents executed with respect to the Sanctioned Loan shall devolve upon the legal heir(s) representatives, assignees, successors, nominees of the said deceased Borrower, as if they were executed by the legal heir(s)/representative(s)/ assignees/ successors/ nominees of the deceased Borrower.

6. BORROWER'S COVENANTS, REPRESENTATION AND WARRANTIES

6.1. The Borrower shall:

- (i) observe and perform all its obligations under the Financing Documents;
- (ii) immediately deliver to DMI all documents, including bank account statements as may be required by DMI from time to time. The Borrower also authorizes DMI to communicate independently with (a) any bank where the Borrower maintains an account and to seek details and statement in respect of such account from the bank; and (b) with any supplier/ vendor/ customer of the Borrower as DMI may deem necessary, including for monitoring Borrower's creditworthiness;
- (iii) immediately notify DMI of any litigations or legal proceedings against any Borrower;
- (iv) notify DMI of any Material Adverse Effect or Event of Default;
- (v) notify DMI in writing of any changes in the address of office /residence /place of business/ citizenship and/ or nationality;
- (vi) the Borrower shall not leave India for employment or business or long term stay abroad without fully repaying the outstanding Sanctioned Loan then outstanding, together with Interest and other dues and charges;
- (vii) not use the Sanctioned Loan for any purpose other than the purpose permitted in the Key Fact Statement and in particular shall not use them for (a) any investments in capital markets, which includes stocks, bonds, and other financial securities (b) purchase of gold in any form including primary gold, gold bullion, gold jewellery, gold coins, units of exchange traded funds (ETF) and units of gold mutual fund or (c) any speculative investments or speculative purpose or (d) for any activity which is illegal or prohibited by law or in respect of which the use of loan funds is restricted by law;
- (viii) provide security, if any, as specified in Financing Documents or as may be required by DMI in case of any change in credit worthiness of any Borrower (as determined by DMI);
- (ix) ensure deposit of business proceeds in the account from which Mandates have been issued to DMI;
- (x) comply at all times with applicable laws, including, Prevention of Money Laundering Act, 2002;
- (xi) any arrears payable to government or any public/local authority such as income tax, corporation tax and all other taxes and revenues will do all acts, deeds and things, as required by DMI to give effect to the terms of this T&C.

6.2. The Borrower hereby further agrees and authorizes DMI and/or its regulator(s) or any third parties appointed by DMI and/or its regulator(s) to inspect the Borrower's prEPIses and/or books of accounts. The Borrower shall reimburse all costs and expenses incurred by DMI, its regulator(s), third parties appointed by DMI, or its regulator(s) for such purposes.



- 6.3. DMI may call upon the Borrower to provide Additional Securities for securing the Sanctioned Loan and then upon notice to that effect by DMI, the Borrower shall promptly provide and furnish such Additional Securities in accordance with the Financing Documents, as maybe acceptable to DMI.
- 6.4. The Borrower represents and warrants to DMI as under:
- (i) All the information provided by Borrower in the Loan Application and any other document, whether or not relevant for the ascertaining the credit worthiness of the Borrower, is true and correct and not misleading in any manner.
 - (ii) The Borrower is capable of and entitled under all applicable laws to execute and perform the Financing Documents and the transactions thereunder.
 - (iii) Where the Borrower is an individual, the Borrower is above 18 years of age and this T&C is a legal, valid and binding obligation on him/her, enforceable against him/her in accordance with its terms.
 - (iv) Neither the execution and delivery of the Financing Documents by the Borrower nor the performance or observance of any of obligations of the Borrower shall conflict with or result in any breach of law, statute, rule, order, trust, agreement or other instruments, arrangement, obligation or duty by which the Borrower are bound. The Borrower has complied and shall continue to comply with all applicable laws and has obtained all necessary licenses/authorizations from all concerned authorities as are required under applicable laws for performance of the terms of the Financing Documents and continuing to undertake its business.
 - (v) The Borrower declares that he/ she/ it is not prohibited by any law from availing the Sanctioned Loan.
 - (vi) The Borrower declares that he/she/ it understands and has consented to avail the Sanctioned Loan as per the Key Fact Statement and the Financing Documents out his/her free will and without any coercion/influence/pressure from a third party.
 - (vii) No event has occurred which shall prejudicially affect the interest of DMI or affect the financial conditions of Borrower or affect his/her/ its liability to perform all or any of their obligations under the Financing Documents.
 - (viii) The Borrower is not in default of payment of any taxes or government dues.
 - (ix) There are no litigation/proceedings pending or threatened against the Borrower and the Borrower are not at present aware of any facts likely to give rise to such litigation/proceedings or to material claims.
 - (x) There are no commencement of any bankruptcy or insolvency proceedings against the Borrower.
 - (xi) The Borrower has not been included in any list of defaulters by any regulatory/statutory authority and/or banks and/or financial institutions and/or non-banking financial companies etc.
 - (xii) No Event of Default has occurred and/or is in existence or continuing.
 - (xiii) The Borrower is the legal and beneficial owner of the Securities lying to the credit of the Demat Account and/ or pledged/ to be pledged or lien marked/ to be lien marked or assigned/ to be assigned from time to time which are/ will be free from any charge, encumbrances, lien, claim



and/ or restriction of any type or nature whatsoever. The Borrower is authorized to create security interest on such Securities in favour of the Security Trustee (for the benefit of DMI) as provided in the Financing Documents and there are no restrictions of any nature whatsoever on such authority or capability. The Security shall continue to be so pledged till full repayment of all Borrower's Dues payable by the Borrower in respect of the Sanctioned Loan.

- 6.5. The Borrower represents that in the event any Additional Securities are to be furnished pursuant to this T&C, the Borrower shall assign, transfer and charge to and for the benefit of DMI, such Additional Securities along with all the rights, title, claims, demand, benefits and interest of the Borrower, in, to, under or in respect of such Additional Securities and the proceeds of sale, redemption, buyback and other realization of the Additional Securities or such part thereof. The Borrower shall take such steps as may be required by DMI/ the Security Trustee and deposit and deliver to DMI/ the Security Trustee all such documents, deeds and other writings as may be necessary or required by DMI/ the Security Trustee and relating to the Additional Securities as security for the due discharge, redemption and repayment of all Borrower's Dues. With regard to any Additional Securities to be furnished by the Borrower pursuant to this Agreement, there shall be no prior existing right, title, claim or interest of any third-party whosever in relation to or over such Additional Securities or any part thereof.
- 6.6. The Borrower acknowledges that he/ she/ it has read DMI Privacy Policy at <https://www.dmifinance.in/privacy-and-security/>, has given its/ her/ his/its consent to the same. The Borrower acknowledges and gives his/her/ its consent to DMI to use, store and process the information provided by the Borrower or otherwise procured by DMI for the purposes of providing and monitoring the Sanctioned Loan, its repayment and compliance with the terms of the Financing Documents, and for DMI's business requirements and any other purposes as detailed in the Privacy Policy or for which the Borrower has provided its consent in any other manner. The Borrower understands and agrees that DMI may, subject to applicable law, disclose such information to its contractors, agents and any other third parties on a need based basis or as provided in DMI Privacy Policy or as may be required pursuant to any statutory/ regulatory requirement.

7. EVENTS OF DEFAULT

- 7.1. The following acts/events, shall each constitute an Event of Default by the Borrower for the purposes of each Sanctioned Loan:
- (i) The Borrower fails to make payment of any Borrower's Dues on Due Date;
 - (ii) Breach of any terms, covenants, representation, warranty, declaration or confirmation under the Financing Documents;
 - (iii) Any fraud or misrepresentation or misstatement or concealment of material information by Borrower which could have affected decision of DMI to grant any Facility;
 - (iv) Death, lunacy or any other permanent disability of the Borrower;
 - (v) Borrower utilises the Sanctioned Loan for any purpose other than the Purpose or breaches the end use restrictions set out in the Financing Documents;
 - (vi) Occurrence of any events, conditions or circumstances (including any change in law) which in the sole and absolute opinion of DMI could have a Material Adverse Effect, including limitation of any proceedings or action for bankruptcy/ liquidation/ insolvency of the Borrower or attachment / restraint of any of its assets;



7.2. The decision of DMI as to whether or not an Event of Default has occurred shall be binding upon the Borrower.

8. CONSEQUENCES OF DEFAULT

8.1. Upon occurrence of any of the Events of Default and at any time thereafter, DMI shall have the right but not the obligation to stop all disbursements against any Sanctioned Loan, declare all sums outstanding in respect of the Sanctioned Loan, whether due or not, immediately repayable and upon the Borrower failing to make the said payments within 15 (fifteen) days thereof, DMI may at its sole discretion exercise any other right or remedy which may be available to DMI under any applicable law, including seeking any injunctive relief or attachment against the Borrower or their assets. Notwithstanding the aforesaid, in the event of the Borrower failing to make the payment of the Borrower's Dues within 90 (ninety) days from the Due Date of such payment, DMI shall, inter alia, have the right to classify the same as a non-performing asset (NPA) and report it accordingly to the Credit Bureau Agencies.

8.2. It is hereby clarified that once the notice is served upon the Borrower in accordance with clause 8.1 above, no further notice shall be required to be given to the Borrower by DMI and/or Security Trustee before invoking the pledge or enforcing the security interest against the Securities or any other collateral provided by the Borrower and such notice shall also be treated as a notice of sale under Section 176 of the Contract Act, 1872.

8.3. The Borrower shall also be liable for payment of all legal and other costs and expenses resulting from the foregoing defaults or the exercise of DMI remedies.

8.4. DMI may, upon occurrence of any of the Events of Default, enforce the pledge/ charge/ lien created in favour of the Security Trustee (for the benefit of DMI) in a manner as set out in Clause 8.5 below.

8.5. Enforcement of security

(i) On occurrence of an Event of Default, DMI may, at its sole discretion and without prejudice to the other rights of DMI under this T&C or any other Financing Documents or Applicable Laws, invoke the security/pledge/ charge / seek redemption of and/or transfer or register in its name or in the name of any of its nominees or any other person, as it shall deem fit, all or any of the Securities, at the cost of the Borrower, in accordance with the terms of this T&C, without requirement of specific intervention of the court or any court order.

(ii) Upon occurrence of an Event of Default and if so required by DMI, DMI shall do all acts and take all actions as instructed by DMI or otherwise as maybe necessary, for the enforcement of the pledge created over the Securities and utilise all amounts realized thereof as per the instructions of DMI.

8.6. Power of Redemption and Sale

On occurrence of Event of Default:

(i) the Security Trustee (acting on the instructions of DMI) shall have the right to sell the Securities (or any part thereof) at a public or private sale, or in an "off market" transaction, or on any securities exchange for cash, upon credit or for future delivery or transfer or procure registration in the name of DMI, or any of its nominees at the cost of the Borrower, as the Security Trustee (acting on the instructions of DMI) may deem commercially reasonable and apply the proceeds thereof towards payment of the Borrower's Dues in accordance with the provisions of this T&C, provided that the Security Trustee shall not be obliged to make any sale of any Securities if the Security Trustee (acting on the instructions of DMI) determines not to



do so, regardless of the fact that notice of sale may have been given. The Security Trustee (acting on the instructions of DMI) may also seek redemption or buyback of the units of the Securities at such redemption/ buyback value as maybe available and considered fit and acceptable to DMI at its sole and absolute discretion. DMI shall also be entitled to directly receive all amounts payable to the Borrower in respect of the Securities relating or otherwise payable under this T&C. In case the Security Trustee (acting on the instructions of DMI) invokes the pledge/ charge/ lien marked on the Securities, the Borrower unconditionally agrees that the Security Trustee (acting on the instructions of DMI) may without prejudice to its other rights in law as pledgee/ charge holder, be entitled to have DMI registered as beneficial owner of the Securities in the records of the Depository.

- (ii) Further, the Security Trustee (acting on the instructions of DMI) shall be entitled to exercise such power of redemption/ sale in such manner and at such time or times and for such consideration (whether payable immediately or by instalments) as it shall in its absolute discretion think fit and such Securities (or any relevant part thereof) may be redeemed and/or sold (A) subject to any conditions which the Security Trustee (acting on the instructions of DMI) may think fit to impose, and (B) to any person (including any person connected with DMI). The Security Trustee/ DMI shall not be liable or responsible for any loss that may be occasioned from the exercise of such power and/or may arise from any act or default on the part of any broker or auctioneer or other person or body engaged by the Security Trustee for the said purpose.
- (iii) The Borrower confirms that the Security Trustee is authorized to give a good discharge for any monies received pursuant to the exercise of its power of sale and a purchaser shall not be bound to enquire whether the power of sale has arisen as herein provided or be concerned with the manner of application of the proceeds of such sale.
- (iv) The Borrower shall not have any claim against DMI/ the Security Trustee and/or their nominees in respect of any loss arising out of any such sale/ redemption/buyback pursuant to the terms of this T&C or any postponement thereof howsoever caused and whether or not a better price could or might have been obtained upon the redemption, sale or disposition of the whole or any part of the Securities by deferring or advancing the date of such redemption/sale or otherwise howsoever.
- (v) The Borrower shall be liable to pay balance Borrower's Dues, if any, consequent to the sale/ redemption of Securities.

9. DISCLOSURES

- 9.1. The Borrower acknowledges and authorizes DMI to disclose all information and data relating to Borrower, the Sanctioned Loan, default if any, committed by Borrower to such third parties/ agencies as DMI may deem appropriate and necessary to disclose for exercise of its rights and remedies in respect of the Sanctioned Loan and/or as authorized by RBI, including the Credit Bureau Agency. The Borrower also acknowledges and authorizes such information to be used, processed by DMI/ third parties/ Credit Bureau Agency/ RBI as they may deem fit and in accordance with applicable laws. Further in Event of Default, DMI and such agencies shall have an unqualified right to disclose or publish the name of the Borrower/ or its directors/ partners/ co-applicants, as applicable, as 'defaulters' in such manner and through such medium as DMI/ Credit Bureau Agency/ RBI/ other authorized agency in their absolute discretion may think fit, including in newspapers, magazines and social media. The Borrower shall not hold DMI responsible for sharing and/or disclosing the information now or in future and also for any consequences suffered by the Borrower and/or other by reason thereof. The provisions of this clause 8 shall survive termination of the T&C and the repayment of the Borrower's Dues.

10. MISCELLANEOUS

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- 10.1. The entries made in records of DMI shall be conclusive evidence of existence and of the amount Borrower's Dues and any statement of dues furnished by DMI shall be accepted by and be binding on the Borrower.
- 10.2. The Borrower's liability for repayment of the Borrower's Dues shall, in case where more than one Borrower have jointly applied for any Sanctioned Facility, be joint and several
- 10.3. The Borrower shall execute all documents and amendments and shall co-operate with DMI as required by DMI: (i) to comply with any RBI guidelines/ directives; or (ii) for giving DMI full benefit of rights under the Financing Documents. Without prejudice to the aforesaid the Borrower hereby irrevocably consents that on its failure to do so, such changes shall be deemed to be incorporated in the Financing Documents and shall be binding on the Borrower.
- 10.4. Notwithstanding any suspension or termination of any Sanctioned Loan, all right and remedies of DMI as per Financing Documents shall continue to survive until the receipt by DMI of the Borrower's Dues in full.
- 10.5. The Borrower expressly recognizes and accepts that DMI shall, without prejudice to its rights to perform such activities itself or through its office employees, be entitled and has full power and authority so to appoint one or more third parties, subject to applicable laws (hereinafter referred to as "**Service Providers**") as DMI may select and to delegate to such party all or any of its functions, rights and power under Financing Documents relating to the sourcing, identity and verification of information pertaining to the Borrower administration, monitoring of the Sanctioned Loan and to perform and execute all lawful acts, deeds, matters and things connected therewith and incidental thereto including sending notices, contacting Borrower, receiving cash / cheques/ drafts / Mandates from the Borrower in favour of DMI. The Service Provider can also be appointed by DMI as the recovery/ collection agent/ agency for any outstanding amounts due from the Borrower and details of such recovery agent/ agency shall be provided in the Key Fact Statement or intimated to the Borrower in writing as and when changed or updated by DMI.
- 10.6. The Borrower acknowledges that the financing transaction hereunder gives rise to a relationship of debtor and creditor as between him/ her and DMI and not in respect of any service rendered/ to be rendered by DMI. Accordingly, the provisions of the Consumer Protection Act, 1986 shall not apply to the transaction hereunder.
- 10.7. The Borrower acknowledges and authorizes DMI to procure Borrower's PAN/copy of PAN card, other identity proof and Bank Account details, from time to time and to also generate / obtain reports from Credit Bureau Agency and such other reports as and when DMI may deem fit. The Borrower also hereby gives consent and authorizes DMI to undertake its KYC verification by Aadhar e-KYC or otherwise and undertake all such actions as may be required on its behalf or otherwise to duly complete the process of such verification including by way of Aadhar e-KYC and verification of the business of the Borrower and share such information with any authority and store such information in a manner it deems fit, subject to applicable laws.
- 10.8. The Borrower hereby authorizes DMI to verify all information and documents including, income proof documents, residence and registered office/ other business-related address proof documents, address proof documents, identity documents and other such documents containing personal and financial information as are submitted by them for obtaining any Sanctioned Loan and that they also consent to subsequent retention of the same by DMI.
- 10.9. In the event of any disagreement or dispute between DMI and the Borrower regarding the materiality of any matter including of any event occurrence, circumstance, change, fact information, document, authorization, proceeding, act, omission, claims, breach, default or



otherwise, the opinion of DMI as to the materiality of any of the foregoing shall be final and binding on the Borrower.

11. SEVERABILITY

11.1. The Borrower acknowledges that each of the Borrower's obligations under these Financing Documents is independent and severable from the rest.

12. GOVERNING LAW AND JURISDICTION

12.1. All Sanctioned Facility and the Financing Documents shall be governed by and construed in accordance with the laws of India.

12.2. All disputes, differences and/ or claims arising out of these presents or as to the construction, meaning or effect hereof or as to the right and liabilities of the parties under the Financing Documents shall be decided by sole arbitrator appointed in accordance with the provision of the Arbitration and Conciliation Act, 1996 or any statutory amendments thereof or any statute enacted for replacement thereof. The place of arbitration shall be Delhi and proceeding shall be under fast track procedure as laid down in Section 29(B) of the Act. The awards including interim awards of the arbitration shall be final and binding on all parties concerned. The arbitrator may pass the award without stating any reasons in such award.

12.3. Further, the present clause shall survive the termination of Financing Documents. The Courts at Delhi, India shall have exclusive jurisdiction (subject to the arbitration proceedings which are to be also conducted in Delhi, India) over any or all disputes arising out of the Financing Documents.

13. NOTICES

13.1. Any notice to be given to the Borrower in respect of Financing Documents shall be deemed to have been validly given if served on the Borrower or sent by registered post to or left at the address of the Borrower existing or last known business or private address. Any such notice sent by registered post shall be deemed to have been received by the Borrower within 48 hours from the time of its posting. Any notice to DMI shall be deemed to have been valid only if received by DMI at its above stated address.

13.2. For any grievances that the Borrower may have in relation to the Sanctioned Facility, it may contact DMI through the details mentioned in the Key Fact Statement.

14. ASSIGNMENT

14.1. The Borrower shall not be entitled to jointly or severally transfer or assign all or any of their right or obligation or duties under the Financing Documents to any person directly or indirectly or create any third-party interest in favour of any person without the prior written consent of DMI.

14.2. DMI shall be entitled to sell, transfer, assign or securitise in any manner whatsoever (in whole or in part and including through grant of participation rights) all or any of its benefits, right, obligation, duties and / or liabilities under Financing Documents, without the prior written consent of, or intimation to the Borrower in such manner and such terms as DMI may decide. In the event of such transfer, assignment or securitization, the Borrower shall perform and be liable to perform their obligation under the Financing Documents to such assignee or transferor. In such event, the Borrower shall substitute the remaining Mandate in favour of the transferee/ assignee if called upon to do so by DMI.

15. INDEMNITY

- 15.1. The Borrower hereby indemnifies, defends and holds DMI, its employees, representatives, directors, and consultants harmless from time to time and at all times against any liability, claim, loss, judgment, damage, cost or expense (including, without limitation, reasonable attorney's fees and expenses) as a result of or arising out of any failure by the Borrower to observe or perform any of the terms and conditions and obligations contained in the Financing Documents or Event of Default or the exercise of any of the rights by DMI under the Financing Documents, including for any enforcement of security or recovery of Borrower's Dues.

16. ASSET CLASSIFICATION

- 16.1. **DMI notifies the Borrower that, pursuant to Prudential norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances - Clarifications dated November 12, 2021 issued by RBI as may be amended from time to time, DMI shall recognize incipient stress in borrower accounts, immediately on default, by classifying them as Special Mention Accounts ("SMA") as per below mentioned basis of classification:**
- 16.2. **"Date of overdue"** means date on which Borrower accounts shall be flagged as overdue as part of the day end process.
- 16.3. **Example:** If the due date of loan account is 15-Mar-22 of the month and the full dues are not received before DMI runs the day-end process for this date, the borrower will be classified as under -

EPI Due date	15-Mar-22	Days Past Due (DPD)	-
EPI overdue	15-Mar-22	0-30	SMA0
EPI remains overdue (not received till day end process)	14-Apr-22	31-60	SMA1
EPI remains overdue	14-May-22	61-90	SMA2
EPI remains overdue	13-Jun-22	91 and above	NPA

The loan accounts classified as NPAs may be upgraded as 'Standard' asset only if entire arrears of interest and principal are paid by the Borrower.

Example:

Particulars	Scenario 1*	Scenario 2
Loan Classification	NPA	NPA
EPI Amount	5,000	5,000
Overdue EPI	15,000	15,000
Payment Received	5,000	15,000
Balance Overdue EPI	10,000	-



Loan Classification	The Borrower will continue to be reported as NPA till the entire overdue amount is paid	Standard
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In reference to RBI circular no. RBI/2021-2022/158 DOR.STR.REC.85/21.04.048/2021-22 dated Feb 15, 2022, the Scenario 1 (classified as NPAs may be **upgraded as 'standard' asset only if entire arrears of interest and principal are paid) will be applicable from Oct 01, 2022.*

Note

- i. The reporting of NPA accounts will now be done on daily basis.
- ii. In case of Borrower having more than one loan from DMI, loan accounts shall be upgraded from NPA to standard asset category only upon repayment of entire arrears of interest and principal pertaining to all the loans.
- iii. The classification of an account as an NPA can have a corresponding effect on the credit scores maintained by the credit bureaus. DMI, therefore, urges all Borrower to make their EPI payments as per the Due Date mentioned in the loan repayment schedule/ Key Fact Statement. This enables an improvement in the credit score, avoidance of penalties, and improved eligibility for a top-up loan/offer.
- iv. We encourage all the Borrower to log in to the <https://portal.dmifinance.in/> to pay the EPIs.

17. ACCEPTANCE:

I AM AWARE THAT DMI SHALL AGREE TO BECOME A PARTY TO THIS T&C ONLY AFTER SATISFYING ITSELF WITH REGARD TO ALL CONDITIONS AND DETAILS FILLED BY ME IN THE T&C AND OTHER FINANCING DOCUMENTS IN CONSONANCE WITH DMI POLICY. I AGREE THAT THIS T&C SHALL ON DMI SIGNING IT DIGITALLY OR ON THE DATE OF FIRST DISBURSEMENT OF THE SANCTIONED LOAN (AS APPLICABLE), WHICHEVER IS EARLIER.

IN RESPECT OF SANCTIONED LOANS PROVIDED FOR THE PURPOSE OF PURCHASE OF ANY GOODS OR PRODUCTS (AS IDENTIFIED IN THE KEY FACTS STATEMENT), I HEREBY HYPOTHECATE THE FINANCED PRODUCT AS A CONTINUING SECURITY IN FAVOUR OF DMI FOR SECURING ALL BORROWER DUES IN RESPECT OF THE SANCTIONED LOAN.

I ALSO DECLARE THAT I SHALL NOT USE THE SANCTIONED LOAN FOR ANY PURPOSE OTHER THAN THE PURPOSE PERMITTED IN THE KEY FACT STATEMENT AND IN PARTICULAR SHALL NOT USE THEM FOR: (A) ANY INVESTMENTS IN CAPITAL MARKETS, WHICH INCLUDES STOCKS, BONDS, AND OTHER FINANCIAL SECURITIES (B) PURCHASE OF GOLD IN ANY FORM INCLUDING PRIMARY GOLD, GOLD BULLION, GOLD JEWELLERY, GOLD COINS, UNITS OF EXCHANGE TRADED FUNDS (ETF) AND UNITS OF GOLD MUTUAL FUND OR (C) ANY SPECULATIVE INVESTMENTS OR SPECULATIVE PURPOSE OR (D) FOR ANY ACTIVITY WHICH IS ILLEGAL OR PROHIBITED BY LAW OR IN RESPECT OF WHICH THE USE OF LOAN FUNDS IS RESTRICTED BY LAW .

BY SIGNING OR BY CLICKING "I ACCEPT"/ E-SIGNING, THE BORROWER ELECTRONICALLY SIGNS THESE T&C AND AGREES TO BE LEGALLY BOUND BY THEIR TERMS. THE BORROWER'S ACCEPTANCE OF THESE T&C SHALL CONSTITUTE: (I) THE BORROWER'S AGREEMENT TO IRREVOCABLY ACCEPT AND TO BE UNCONDITIONALLY BOUND BY ALL THE TERMS AND CONDITIONS SET



DMI FINANCE PRIVATE LIMITED

OUT IN THESE T&C; AND (II) THE BORROWER'S ACKNOWLEDGEMENT AND CONFIRMATION THAT THESE T&C (ALONG WITH THE FINANCING DOCUMENTS) HAVE BEEN DULY READ AND FULLY UNDERSTOOD BY THE BORROWER.

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**Annex A****Key Fact Statement**

Date: _____ **Name of the Regulated entity** _____ **Loan Application**
Account no: _____ **DMI Finance Private Limited**
Applicant Name: _____

Sr. No.	Parameter	Details
1	Type of Loan & Purpose The Loan shall be used only for the purpose as set out in this Key Facts Statement and in particular shall not be utilized for the following: (a) any investments in capital markets, which includes stocks, bonds, and other financial securities; or (b) purchase of gold in any form including primary gold, gold bullion, gold jewellery, gold coins, units of exchange traded funds (ETF) and units of gold mutual fund; or (c) any speculative investments or speculative purpose; or (d) for any activity which is illegal or prohibited by law or in respect of which the use of loan funds is restricted by law.	Personal Loan &
2	Sanctioned Facility (As applicable)	
3	Sanctioned Loan (As applicable)	
4	Disbursal schedule (i) Disbursement in stages or 100% upfront. (ii) If it is stage wise, mention the clause of loan agreement having relevant details	100% Upfront
5	Loan term (year/months/days)	[•] Months
6	Instalment details	
A	Type of instalment	Monthly
B	Number of EPIs	
C	EPI Amount	
D	Commencement of repayment, post sanction	



7	Interest Rate % and type (fixed on reducing balance)	% per annum
8	Total interest charged during the entire tenor of the loan (in Rupees)	
9	Fees/Charges , (if any) (break-up of each component to be given below) (in Rupees)	A+B+C
A	Processing fees (including GST), if any (in Rupees) one time	
B	Insurance (including GST) (in Rupees) one time	
C	Any other charges (including GST) (if any) (in Rupees) one time	
10	Net disbursed amount (in Rupees)	
11	Total amount to be paid by the borrower (in Rupees)	
12	Annual Percentage Rate (APR) %	%
13	Mode of Loan Payment	Mandate
14	Opted for Sanctioned Facility	
15	Sanctioned Facility availability Period	60 Months
Details about Contingent Charges (in ₹ or %, as applicable) *		
16	Late Payment Fees - INR 550 + GST	
17	Pre-closure charges: Nil	
18	OVERDUE CHARGES - 2 % +GST on overdue amount <i>non-payment of EPI on its Due Date</i>	
19	Other Charges: Applicable for Alternate Modes/Non-Nach- Up to Rs 30 + GST	
20	NACH Rejection Charges - INR 500 +GST	
21	In case of digital loans, following specific disclosures may be furnished:	
(a)	Cooling off/ look-up period, in terms of DMI's board approved policy, during which borrower shall not be charged any penalty on prepayment of loan	5 days
(b)	Details of LSP acting as recovery agent and authorized to approach the borrower	[•]



(c)	Name of LSP/Sourcing Partner/Channel providing lending related services other than recovery (i.e. sourcing, marketing etc.)	Knab Finance
22	Clause of loan agreement/ general terms and conditions relating to engagement of recovery agents	Clause 10.5
23	Clause of loan agreement/ general terms and conditions which details grievance redressal mechanism	Clause 13.2
24	Whether the loan is, or in future maybe, subject to transfer to other REs or securitisation - (Yes/ No)	Yes
25	Privacy Policy - https://www.dmifinance.in/privacy-and-security/	
26	Nodal grievance redressal officer designated specifically to deal with Fin-tech/ digital lending related complaints/ issues - Grievance Redressal Officer (Consumer Loans) Name- Ashish Sarin Designation- Senior Vice President - Customer Success Email Address: head.services@dmifinance.in/ grievance@dmifinance.in Address: Express Building, 3rd Floor, 9-10, Bahadur Shah Zafar Marg, New Delhi-110002 Contact No.: 011-41204444 https://www.dmifinance.in/fair-practice.html Name - Jackie Verma Designation - Deputy CFO Email Address: principalofficer@knabfinance.com Address: Sara House, A-31, Hauz Khas, New Delhi-110016 Contact No.: +91-9289566925	

* Contingent charges can be changed depending on policy of the company

The Total Interest charged during the tenor of the loan, Processing Fees, Net disbursed amount, and Total amounts payable may change in the event the date of disbursement is later than the date of sanction/issuance of this KFS. This may also result in increase in the APR, but the APR shall be capped as per DMI's internal policy. The updated KFS shall be issued and shared with the

borrower along with the welcome letter. DMI also reserves the right to cancel the loan sanction in the event any such change results in breach of DMI's internal policy guidelines

Disbursement Details (Account to which Disbursement to be made)

Amount		Name of Bank	
Account Holder Name		IFSC Code	
Account No.			

Note

For understanding DMI's approach for gradations of risk and rationale for charging different rate of interest to different categories of borrowers, please refer to DMI's Policy on Interest Rate and Charges available on <https://www.dmifinance.in/investor-relations/policies/>

Acceptance:

I (the "Borrower") confirm the receipt of this Key Fact Statement and confirm my acceptance and state that the Sanctioned Loan granted by DMI on the above terms will be governed by the General Terms and Conditions of Loan, this Key Fact Statement, the Loan Application, Security Documents including the annexures thereto and any documents executed by the me or as required by DMI in respect of the Sanctioned Loan, as amended from time to time ("Financing Documents").

I agree to be legally bound by the terms of the Financing Documents. I understand that my acceptance shall constitute: (i) my agreement to irrevocably accept and to be unconditionally bound by all the terms and conditions set out in the Financing Documents; and (ii) the Borrower's acknowledgement and confirmation that this Key Fact Statement (along with the other Financing Documents) have been duly read and fully understood by me in the vernacular language or a language as understood by me/ us.

I also declare that I shall not use the Sanctioned Loan for any purpose other than the purpose permitted in this Key Fact Statement and in particular shall not use them for: (a) any investments in capital markets, which includes stocks, bonds, and other financial securities; or (b) purchase of gold in any form, including primary gold, gold bullion, gold jewellery, gold coins, units of exchange traded funds (ETF) and units of gold mutual fund; or (c) any speculative investments or speculative purpose; or (d) for any activity which is illegal or prohibited by law or in respect of which the use of loan funds is restricted by law

Annex B
Computation of APR for retail Loans

Sr. No.	Parameter	Details
1	Sanctioned Loan amount (in Rupees) (Serial no. 3 of the KFS template - Annexure A)	20,000
2	Loan Term (in months) (Serial No.5 of the KFS template - Annexure A)	24
a)	No. of instalments for payment of principal, in case of non- equated periodic loans	-
b)	Type of EPI (Repayment frequency of the borrower) Amount of each EPI (in Rupees) and nos. of EPIs (e.g., no. of EPIs in case of monthly instalments) (Serial No. 6A, 6B, 6C of the KFS - Annex A)	Monthly 970 24
c)	No. of instalments for payment of capitalized interest, if any	-
d)	Commencement of repayments, post Disbursal (Serial No. 6D of the KFS template - Annex A)	DDMMYYYY
3	Interest rate type (Serial No. 7 of the KFS template - Annex A)	Fixed on reducing balance basis
4	Rate of Interest (Serial No. 7 of the KFS template - Annex A)	15 % P.A.
5	Total Interest Amount to be charged during the entire tenor of the loan as per the rate prevailing on sanction date (in Rupees) (Serial No. 8 of the KFS template - Annex A)	3,274
6	Fee/ Charges payable (in Rupees)	240
A	Payable to the RE (Serial No.9A, 9B & 9C of the KFS template- Annexure A)	240
B	Payable to third-party routed through RE	0
7	Net disbursed amount (Serial No. 3- Serial No. 9) (in Rupees)	19,600
8	Total amount to be paid by the borrower (sum of Serial No. 3 and Serial No. 7) (in Rupees)	23,274
9	Annual Percentage rate- Effective annualized interest rate (in percentage) (Serial No.12 of the KFS template-Annexure A)	17.07%
10	Schedule of disbursement as per terms and conditions	100% upfront
11	Due date of payment of instalment and interest	5 th of every month

- The difference (if any) in repayment amount calculated from the total of instalments given under the detailed repayment schedule vis-à-vis the amount mentioned above may be due to rounding off the instalment amount under the detailed repayment schedule and amortization model.
- APR is computed on net disbursed amount using IRR approach and reducing balance method.
- Charges & Deductions applicable to this Loan Facility are as mentioned in the application form and have been duly explained to me.

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Annex C

Repayment Schedule under Equated Periodic Instalment for the loan

Instalment No.	Opening Outstanding Principal Balance (in Rupees)	Principal (in Rupees)	Interest (in Rupees)	Broken Period Interest	Instalment (in Rupees)	Closing Outstanding Principal Balance (in Rupees)