Sahay-GeM Ecosystem Participation Terms
Version 1.1

The Sahay-GeM ecosystem (**Sahay-GeM Ecosystem**) is a digital ecosystem through which a willing seller on the Government eMarketplace can avail an unsecured, short-tenure loan (**Sahay Loan**) from a willing lender. The Sahay-GeM Ecosystem is powered by a software application (**Sahay App**) that programmatically performs various obligations that enable the participants of the Sahay-GeM Ecosystem to carry out their respective obligations. This document (the **Terms**) sets out the terms upon which these participants have agreed to participate in the Sahay-GeM Ecosystem.

1.   Participants

1.1   The participants of the Sahay-GeM Ecosystem (**Participants**) shall be the following:

(a)   **GeM** – the Government eMarketplace;

(b)   **Borrower** – a seller on the Government eMarketplace who wishes to avail of a Sahay loan from the Lender;

(c)   **Lender** – a bank or an non-banking finance company that is willing to provide a Sahay Loan to the Borrower;

(d)   **U GRO Capital** -- the entity that procures cloud hosting services in consultation with App Tech Provider, allows the Sahay App to use the infrastructure and grant access to the Participants (**Sahay App Host**);

(e)   **Collections and Settlement Escrow Bank** – the scheduled commercial bank that provides escrow services to the App Tech Provider, Borrowers and Lenders through a virtual account facility for collections, payments and settlement services and maintains the Virtual Collections Escrow Account for such purposes;

(f)   Juspay - the entity that operates and manages the Sahay App (**App Tech Provider**).

1.2   In consideration for the mutual rights and obligations set out in these Terms, each Participant other than the Borrower shall indicate its acceptance of the Sahay-GeM Ecosystem participation terms by furnishing to GeM, an electronic copy of the declaration contained in Annex 1 on which shall be affixed the digital signature of its authorised signatory. The Borrower will indicate its acceptance of these Terms by accepting the Terms of Service in the Sahay App (*reference the url of the Google Play Store where it can be downloaded*). By doing so, each Participant agrees that it shall be bound by these Terms and that in case of a breach by it, the obligations contained herein shall be enforced against it.

1.3   By accepting these Terms each Participant confirms that it is willing to be a beta tester of the Sahay-GeM Ecosystem in order to satisfy itself that the Sahay App is capable of programatically performing the obligations that it is required to perform under these Terms. For the first six months after launch (**Beta Testing Phase**), no Participant shall hold any other Participant liable for any obligations. At the end of

the Beta Testing Phase, the entire text in this clause 1.3 will be replaced with the text set out in italics below:

[*By accepting these Terms each Participant confirms that it is satisfied that the Sahay App is capable of programatically performing the obligations that it is required to perform under these Terms. No Participant shall hold any other Participant liable for any obligations that are listed in these Terms as being performed by the Sahay App.*]

1.4   Where an obligation in these Terms has been specifically stated to be the obligation of a given Participant then it shall apply to that Participant only and no-one else shall be held liable for the failure of such Participant to perform the said obligation. Each participant shall be responsible for performing its obligation in accordance with applicable law.

2.   Borrower Registration

Any sole proprietor who is registered on GeM as a seller, shall be eligible to register as a Borrower on the Sahay App using their phone number, GSTN username and GSTN ID.

3.   Sharing Borrower Information

By registering on the Sahay App, the Borrower permits GeM to share the following information about the Borrower set out in Annex 2 (hereafter referred to as the **Borrower Information**) through Sahay App. GeM shall only share such Borrower Information in the manner set out in Clause 5 below.

4.   Creation and Operation of the Virtual Collection Escrow Account

4.1   By registering on the Sahay App, the Borrower authorizes the establishment of virtual collection escrow ledger (**Virtual Collection Escrow**) under the master escrow established by the App Tech Provider with the Collections and Settlement Escrow Bank for handling payments and settlements as required under these Terms (**Sahay GeM Master Escrow Account**) and authorises the Collections and Settlement Escrow Bank to undertake the collection, payments and settlement services as envisaged in these Terms, including but not limited to the debit or credit of amounts into such account.

4.2   The Virtual Collection Escrow shall meet the following specifications:

(a)   the Borrower shall have no right on or to the Virtual Collection Escrow including no right to operate it;
(b)   it shall be operated on the basis of instructions issued by the Sahay App to the Collections and Settlement Escrow Bank in accordance with Clause 12 for the remittance of money from it.

4.3   Once created, the Sahay App shall cause the account number and the IFSC code of the Virtual Collections Escrow to be recorded on GeM and shall make the details available to the Borrower on the Sahay App.

5.   **Sharing of Information**

A Borrower who wishes to avail a Sahay Loan through the Sahay App, must permit GeM to share the Borrower Information and the information contained in Annex 2, as required under these Terms, with the Lenders, the Collections and Settlement Escrow Banker and the Sahay App Host by providing its consent through the Sahay App. The Lender will use the Borrower Information to populate the Sahay Loan terms (**Loan Terms**) offered to the Borrower. The Borrower will have the opportunity to review the Borrower Information before it is made part of the Loan Terms and shall confirm its accuracy before accepting the Loan Terms. In the event any Borrower Information is found to be inaccurate, the Borrower will need to make suitable alterations on the GeM portal.

6.   **Obligations of the App Tech Provider and the Sahay App Host**

6.1   The App Tech Provider affirms that the Sahay App has been developed as per prevalent secure coding practices in order to make it free from security bugs and vulnerabilities. The App Tech Provider shall also ensure periodic testing is carried out as per prevalent secure coding practices in order that all updates and upgrades to the Sahay App are also free from any security bugs and vulnerabilities. The App Tech Provider shall ensure compliance with the information security management requirements, security controls and associated assessment procedures defined by RBI Cyber Security Framework as relevant in the context of the Sahay App and as updated by the RBI from time to time. However, the Participants acknowledge that the technology used by the Sahay App including the internet, as well as the use of public/ shared facilities is susceptible to a number of risks, which could affect its functionalities. The App Tech Provider shall fix all reported bugs in the Sahay App as well as those that come to the knowledge of the App Tech Provider, by releasing updates, upgrades and incremental patches as required. After each such release, in the event the Sahay App Host believes that the change is a new feature it will, at its discretion, conduct an application security audit. Should the application security audit reveal any issues with the Sahay App, the App Tech Provider will resolve them. Notwithstanding anything contained herein, the Sahay App Host reserves the right to perform periodic assessments on the Sahay App and if any vulnerabilities or security bugs identified, the App Tech Provider shall remedy the same in a timely manner.

6.2   All Participants shall be responsible for continuously monitoring and assessing the security of the Sahay App. The App Tech Provider shall cooperate with Participants in remedying any security incidents that might occur. If the App Tech Provider becomes aware of any cyber security incidents that are relevant to the Sahay App it shall inform the relevant Participants forthwith and will carry out any consequential remediation that may become necessary.

6.3 It is understood that the Sahay App Host is prima facie a Non-banking Financial Company registered with Reserve Bank of India primarily engaged in lending business looking to expand its lending portfolio by participating in the Sahay App as a Lender and temporarily agrees to host the Sahay App during the Beta Testing Phase. After the Beta Testing Phase, the Sahay App Host and the App Tech Provider shall provide all necessary support in transferring, without consideration, the Sahay App along with its source code, data and documentation to GeM or any other appropriate party. In the event the Sahay App Host decides to exit the Sahay Ecosystem during the Beta Testing Phase it shall provide 45 days notice of such intention to the Participants to enable them to find an alternative app host provider. The Sahay App Host has agreed to provide the hosting services free of cost and has agreed to do so, inter alia, for the benefit of advancement of the MSME lending ecosystem.

6.4 The Sahay App Host makes no representations or warranties about Sahay App offered/ installed in connection with the hosting services, and expressly disclaims any liability or damages(whether direct, indirect or consequential) arising from the use of the Sahay App.

7. Loan Offer

7.1 A Lender who wishes to offer the Borrower a Sahay Loan through the Sahay App shall make an offer that sets out:

(a) the amount of the loan (**Loan Amount**);
(b) the purchase order or invoice number, against which the offer is made;
(c) the applicable interest rate;
(d) the repayment amount;
(e) the tenure of the loan offer with repayment date;
(f) applicable late repayment charges;
(g) applicable interest on delayed payments; and
(h) prepayment charges, if any.

7.2 All the Sahay Loan offers made by all the Lenders to the Borrower on the basis of the Borrower Information shall be displayed by the Sahay App to the Borrower.

8. Loan Selection

The Borrower shall, through the Sahay App, select the Lender from which it wishes to avail the Sahay Loan from among all the offers that have been made to it. The Borrower shall thereafter enter into the Loan Terms with the selected Lender in the manner set out in Clause 9.

9. Loan Terms

The Sahay App shall display the Lender's Loan Terms for the Borrower's review. The Borrower shall accept the Loan Terms through the Sahay App from which time its terms shall be binding on the Lender and the Borrower and the Sahay Loan shall be deemed to have come into existence. Upon acceptance, the Loan Terms (including the commercial terms) shall be emailed by the Lender to the Borrower. As between the Lender and the Borrower, in the event of a conflict between the terms contained in this document and the Loan Terms, as against the Lender and the Borrower, the Loan Terms shall prevail.

10. Cash Escrow

Once the Loan Terms have been accepted by the Borrower, the Sahay App shall link the Virtual Collection Escrow to the specific Sahay Loan. Thereafter GeM shall ensure that all payments made under the order/invoice against which the Sahay Loan has been provided shall only be made into the Virtual Collection Escrow.

11. Borrower's Disbursement Account

11.1 The Lender shall disburse the Loan Amount into the Borrower's disbursement account. An account shall be identified, in descending order of priority from the list below, and shall be designated as the disbursement account:

(a) Any Working Capital Account that the Borrower holds with the Lender;

(b) Any Working Capital Account that the Borrower holds with any bank (other than the Lender), and in respect of which the Borrower declares and confirms to the Lender via the Sahay App that such account is an active Working Capital Account;

(c) Any bank account held by the Borrower with the Lender which is not a Working Capital Account provided that the Borrower declares and confirms to the Lender via the Sahay App that the Borrower does not maintain any Working Capital Account with any bank;

(d) Any bank account held by the Borrower with any bank (other than the Lender) which is not a Working Capital Account provided that the Borrower declares and confirms to the Lender via Sahay App that the Borrower does not maintain any Working Capital Account with any bank and that the account specified for disbursement is the primary operating bank account of the Borrower.

11.2 For the purpose of this clause the term '**Working Capital Account**' shall mean a bank account with a cash credit or an overdraft facility from such bank.

12. Process for Calculation

12.1   When a payment towards the order/ invoice against which the Sahay Loan was provided is received into the Borrower's Virtual Collection Escrow or in the event the Borrower requests to see the status of loans and outstandings, the Sahay App will query the Lender as to the amounts currently outstanding against the Sahay Loan. In such event the Lender shall provide accurate information about the current amount outstanding as on a particular date or as on the date of the request.

12.2   The App Tech Provider will calculate the manner in which the amount received into the Borrower's Collection Account needs to be utilised based on the formula set out in the Loan Terms as more fully described in Annex 3 and will instruct the Collections and Settlement Escrow Banker to utilise such amount strictly in accordance with such calculation.

13.   Utilisation Principles

13.1   Utilisation of the Borrower's Virtual Collection Escrow shall take place in accordance with Annex 3.

13.2   The Collections and Settlement Escrow Banker will only be entitled to receive or recover the escrow fees as specified from the Lender and shall not be entitled to levy any additional interest or compensation and not be obliged to pay any interest or compensation to any person.

13.3   Notwithstanding anything contained herein, the Borrower shall have the option to repay any and all the Lenders directly. The Borrower shall also have the option to prepay any of the Lenders subject to the payment of the applicable prepayment charges. At the end of the Beta Testing Phase, the entire text in this clause 13.3 will be replaced with the text set out in italics below:

[*Notwithstanding anything contained herein, the Borrower shall have the option to repay any and all the Lenders directly. The Borrower shall also have the option to prepay any of the Lenders subject to the payment of the applicable prepayment charges. For this purpose the Sahay App will enable the Borrower to make payment directly to the Lender.*]

14.   Borrower Default

14.1   In the event any Borrower fails to repay the Sahay Loan, then on 30th day of such default subsisting, the Borrower shall be notified that if such default continues, it shall be delisted from GeM on the 60th day of the default subsisting. If the default subsists on the 60th day, the Borrower will be delisted from GeM. The Borrower will only be relisted upon furnishing a certificate from the Lender indicating that there is no default or dues subsisting.

14.2   Default under these Terms can, at the option of the Lender, be treated as a default by the Borrower for other loans extended by such Lender and other Lenders.

14.3   Notwithstanding anything contained herein, the Borrower's obligation to repay and service the Sahay Loan in accordance with these Terms is absolute and not contingent upon receipt of payments and/or the performance of the roles and duties of the various Participants as specified in these Terms.

15.   Confidentiality Obligation

All the Participants recognise that in the course of their participation in the Sahay Ecosystem they will gain access to confidential information. The Participants agree that they will not use this confidential information for any purpose that has not specifically consented to under a lender-borrower relationship, including but not limited to the disclosure or sale to data aggregators, telemarketers and/or competitors, or for cross-selling. Notwithstanding anything contained herein, the use of aggregate anonymous data for the purpose of improving the performance and quality of the Sahay App shall be permitted.

16.   Privacy

All the Participants accept the privacy policy set out in Annex 4 and hereby agree to be bound by it.

17.   Exit

No Participant shall exit the Sahay-GeM Ecosystem without first making appropriate arrangements to either (a) assign their rights and obligations under these Terms to another Participant or (b) ensure that it no longer owes any obligations to any Participant.

18.   Dashboard

The current availability status of each of the Participants on the Sahay-GeM Ecosystem shall be displayed on a dashboard that will be accessible through the Sahay App.

19.   Dispute Resolution

19.1   The Sahay-GeM Ecosystem has been designed to provide indisputable evidence of the compliance or otherwise by the Participants of their various obligations under these Terms. During the Beta Testing Phase, any dispute between the Participants (other than between the Lender and the Borrower) arising out of or in connection with these Terms the disputing Participants shall first reference such evidence and in the event it is still not possible to resolve their dispute, shall attempt resolution through the process of mediation or conciliation.

Annex 1

This declaration is executed by **IDFC FIRST Bank Limited** having its registered office at **KRM Tower, 8 th Floor, No. 1 Harrington Road, Chetpet, Chennai 600 031** (hereinafter the **Acceptor**).

The Acceptor, having reviewed the Sahay-GeM Ecosystem Participation Terms (version 1.1), wishes to participate in the Sahay-GeM Ecosystem as a **Lender**.

The Acceptor hereby agrees the Sahay-GeM Ecosystem Participation Terms shall be binding on it and commits to perform all the obligations required of it, in accordance with the terms thereof. The Acceptor acknowledges that its continued participation in the Sahay-GeM Ecosystem is conditional upon its continued compliance with the Sahay-GeM Ecosystem Participation Terms.

This declaration is made by the Acceptor on this the **20th** day of **January 2021.**

Executed by

Ms. Shikha Hora Kamdar

_____
Name

Head – Consumer Lending

_____
Designation

Affix the digital signature, here.

Annex 2

1.   **Borrower's Registration Details**

        Seller ID on GeM, PAN, GSTN Number
        email and Mobile
        Seller Onboarding date on GeM
        Primary Bank Account Details
        Account Number
        IFSC Code
        Name of account holder
        Address

2.   **Borrower's Virtual Collections Escrow Account Details**

        Account Number
        IFSC Code
        Name of account holder

3.   **Purchase Order Details**
        PO details
        PO Number (Contract Number)
        Contract Date
        Order Amount
        Order Acceptance Date
        Order Delivery End Date
        For such period as available
        - Number and value of orders placed
        - Number and value of orders delivered
        - Number and value of orders paid
        Buyer details
        - GSTN
        - Preferred Payment Method for buyer in GeM
        Product details
        - Name
        - HSN Code (optional)
        - SAC Code (Optional) (This code is Internal to GeM)
        - Unit Price
        - Quantity of Units
        - Total Price for all Units

4.   **Consignee's Receipt & Acceptance Certificate (CRAC) details**

Seller details
Seller ID on GeM
GSTN ID selected during invoice generation
Seller's Tax Invoice Number & Date
Invoice details
- Contract Number in GeM
- Acceptance or CRAC date
- CRAC number
- Amount
- Quantity shipped by Seller
- Quantity accepted by Buyer
- Quantity rejected by Buyer
- GST Amount

Last 90 days orders
- Number and value of orders placed
- Number and value of orders delivered
- Number and value of orders paid

Product details
Name
- HSN Code (optional)
- SAC Code (Optional) (This code is Internal to GeM

5.   **Seller ratings**
Coverage rating
Reliability rating
Timely Delivery rating
Quality rating
Incident rating
Overall rating

6.   **Bill details**
GeM contract Number
GeM CRAC Number
Bill Number
Bill date
Bill amount (Net amount post deductions)
Primary Bank Account Details
Account Number
IFSC Code

Name of account holder

7. **Payment status**

GeM contract Number

Unique identifier for Payment

GeM Bill Number

Paid Amount

Date of Payment/payment Updating on GeM

GeM CRAC Number

8. The Purchase Order or the invoice has not been funded, financed against or discounted previously on GeM or any of the TReDS platforms

Annex 3
Authorisation, Operation and Calculation of Utilisation

1.   Authorisation and Operation

1.1   The App Tech Provider appoints the Collections and Escrow Settlement Bank to act as an escrow bank upon having completed all necessary formalities as per the Terms.

1.2   The App Tech Provider shall submit to the Collections and Escrow Settlement Bank all KYC documents and any other documents/ forms in the form and manner as may be specified and required by the Collections and Escrow Settlement Bank.

1.3   The Collections and Escrow Settlement Bank shall open the Sahay GeM Master Escrow Account under which sub-ledgers corresponding to each borrower shall be created to operate as the respective Virtual Collection Escrows. On and from the date of opening of the escrow account all amounts payable by the buyer against the invoice/ purchase order shall be deposited in the Sahay GeM Master Escrow Account through various electronic modes. It is clarified that the Collection and Escrow Settlement Bank is not collecting any KYC documents or other documents/forms in respect of Virtual Collection Escrows established as sub-ledgers of the Sahay GeM Master Escrow Account and such sub-ledger is established solely for the purposes of the Sahay GeM Ecosystem and not intended for any other purpose or function.

1.4   The App Tech Provider shall calculate the utilisation of funds in accordance with Section 2 of this Annex 3 and thereafter issue instructions for the transfer of money lying to the credit of the Sahay GeM Master Escrow Account.

1.5   The instructions to operate the Sahay GeM Master Escrow Account and/or the Virtual Collection Escrows shall be provided electronically by the App Tech Provider through the Sahay App to the Collections and Escrow Settlement Bank's system, in electronic encrypted format under H2H services or via API based communication. The Collections and Escrow Settlement Bank shall not be required to ascertain the authenticity of the instructions received via H2H services or API.

1.6   The App Tech Provider acknowledges that funds lying in the Sahay GeM Master Escrow Account belong to the various Borrowers who have authorised it to avail of the escrow services from the Collections and Escrow Settlement Bank. The App Tech Provider has no claim on the funds lying in the Sahay GeM Master Escrow Account.

1.7   The Collections and Escrow Settlement Bank shall not claim any right or lien over the amounts lying to the credit of the Sahay GeM Master Escrow Account and/or the Virtual Collection Escrows.

1.8   The Collections and Escrow Settlement Bank shall not be liable for any transactions carried out in accordance with the instructions received from the Sahay App/ App Tech Provider.

2.   Calculator of Utilisation

2.1   Whenever an amount (**Payment**) is paid by a buyer via PFMS, GeM will communicate the invoice / PO number, date of payment along with other details as required to the Sahay App. The Sahay App will query the virtual collection escrow account/s, to elicit details of the funds available in such account/s and the Collection and Settlement Escrow Banker will provide such details.

2.2   The Sahay App will identify the loan ID corresponding to such invoice/ PO number and the corresponding Lender. The Sahay App will request the Lender to provide details of the total outstanding amount in respect of the loan (**Outstanding Amount**).

2.3   When the Lender responds with the details of the amount outstanding, the Sahay App will calculate the difference between the Outstanding Amount and the Payment to determine whether (a) the whole of the Payment needs to be utilised towards repaying the Outstanding Amount; or (b) only a portion of the Payment needs to be utilised towards repaying the Outstanding Amount.

2.4   In the event the whole of the Payment, in accordance with Clause 2.3(a), needs to be utilised towards repaying the Outstanding Amount, the Sahay App will provide the Collection and Settlement Escrow Banker the details of the Lender account number, the Lender IFSC code and instructions that the entire Payment must be remitted to the Lender.

2.5   In the event only a portion of the Payment, in accordance with Clause 2.3(b) needs to be utilised towards repaying the amount outstanding , the Sahay App will provide the Collection and Settlement Escrow Banker the details of the Lender account number, the Lender IFSC code and instructions that an amount equivalent to the Outstanding Amount must be remitted to the Lender. The Sahay App will calculate the residual amount remaining after the Outstanding Amount has been paid (**Residual Amount**) and will provide the Collection and Settlement Escrow Banker the details of the Borrower account number, the Borrower IFSC code and instructions that the Residual Amount must be remitted to the Borrower.

2.6   In the event there is no Outstanding Amount the Sahay App will provide the Collection and Settlement Escrow Banker the details of the Borrower account number, the Borrower IFSC code and instructions that the Payment must be remitted to the Borrower.

2.7   All transactions will be executed subject to agreed clearing timelines as revised from time to time. Post execution of transactions, the Collection and Settlement Escrow Bank will provide a settlement status file/ transaction status to the App Tech Provider.

Annex 4
Privacy Policy

In order to participate in the Sahay-GeM Ecosystem, all Participants (other than the Borrower) will be required to comply with the terms of this Annex 4 with regard to the personal information collected by any of them from the Borrower.

1. INFORMATION COLLECTED AND MANNER OF COLLECTION

Only the following personal information shall be collected from Borrowers – (i) name; (ii) phone number; (iii) email; (iv) age; (v) address; (vi) PAN; (vii) GST user name, (viii) GST identity number and (ix) bank account number. The Participants shall only collect such items of personal information from the Borrower as are absolutely necessary for the purposes set in Clause 2 below.

2. USE OF INFORMATION

The personal information collected from the Borrower as set out in Clause 1 shall be utilised for the purposes of identifying the Borrower, evaluating the creditworthiness of the Borrowers and disbursing, servicing and recovering the loan, communicating the loan offer, displaying information about the loan, establishing the Virtual Collection Escrow and for the fulfillment of any obligations or requirements of any of the Participants. The information collected under Clause 1 will not be used for any purpose other than those mentioned in this Clause 2.

3. RETENTION

All personal information collected under Clause 1 shall only be retained by each Participant for as long as is necessary for such Participant to perform its obligations as set out under these Terms and for no longer. Provided however the Lender shall retain all personal information in accordance with its usual practice and in compliance with the applicable statutory/ regulatory requirements and the record retention policy of the Participant.

4. RIGHTS

All Participants shall have the right to access their profile at any time to add, remove or modify any registration information supplied, after which point the Participants shall only use the revised registration information. The addition, removal or modification of the registration information shall not prejudice any prior use by the Participants thereof.

5. DATA SECURITY

The Participants shall take all organisational and technical measures required under any law or statute applicable to a given Participant, to protect the confidentiality and security of the information in their control. Participants shall ensure that data is encrypted in transit as well as at rest.

6.   DISCLOSURES AND TRANSFER

No personal information collected by the Participants will be disclosed or transferred to any third party save as otherwise agreed between such Participant and the Borrower and/or in accordance with the statutory and regulatory provisions applicable to the Participant.

7.   GRIEVANCES

Each Participant, in accordance with its internal policy, will designate an official or identify an appropriate department to whom any concerns or questions regarding this privacy policy may be raised and addressed. Details of the concerned official/ department shall be published and made accessible to all other Participants.

Certificate of Signature Completion

Document Details

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Signer Details

Shikha Hora	Signed Time & IP	Signature Method
shikha.hora@idfcfirstbank.com	20 Jan 2021 04:14 PM	Electronic Signature
9820685223 (OTP : 235531)	103.233.77.223	by SignDesk.com

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