

1.3 The terms and expressions not herein defined shall, where the interpretation and meaning have been assigned to them in terms of the General Clauses Act, 1897, have that interpretation and meaning.

1.4 All terms used in singular shall unless the context requires otherwise, include plural and a reference to one gender shall include all genders.

ARTICLE 2 LOAN, INTEREST, Etc

2.1 Amount and term of Loan

(a) The Lender has agreed to grant the Loan to the Borrower for the purpose of purchase/ in respect of the asset, of a sum, as stated in the first schedule, on the terms and conditions herein set forth.

(b) The Loan provided under this agreement shall be for the period as specified in the first schedule, commencing from the date specified in the second schedule.

2.2. Interest

The rate of interest is as stated in the first Schedule, compounded with monthly rests on the outstanding balance, namely. the balance of the loan and unpaid interest and costs, charges and expenses outstanding, at the end of the month.

2.3 Computation of Interest

(a) The rate of interest stipulated in the first Schedule shall remain fixed during the term of the loan facility unless mandated by the Reserve Bank of India or other Regulatory Authorities or unforeseen or exceptional changes in money market conditions. In such event, notwithstanding the provisions of the first Schedule, the Borrower agrees to pay interest on such revised rate and this agreement shall be construed as if such revised rate was expressly mentioned herein.

(b) The borrower shall reimburse or pay to the lender such amount as may have been paid or payable by the Lender to the Central or state Government on account of any tax levied on interest (and/or other charges) on the Loan by the Central or State Government. The reimbursement or payment shall be made by the Borrower as and when called upon to do so by the Lender.

2.4 Details of Disbursement

The Borrower shall indicate the manner of disbursement of Loan by the Lender, as desired by him. However, the Lender shall have the sole discretion to determine the manner of disbursement, which shall be deemed to be the disbursement to the borrower as contemplated under this agreement. In the case of purchase of new Assets, the Loan amount may, at the option of the Lender, be disbursed by the Lender directly to the Dealer / Manufacturer and such disbursement shall be deemed to be disbursement to the borrower. In case of purchase of used Assets, the Lender shall determine the manner of the disbursement; i.e. either to the owner / seller of the Asset or to the dealer or to the Borrower and such disbursement shall be deemed to be the disbursement to the Borrower as contemplated under this Agreement.

2.5. Mode of Disbursement

All disbursement to be made by the Lender to the Borrower, under or in terms of this agreement shall be made by cheque duly crossed and marked "A/c Payee-only" or by demand draft or any other accepted modes of transfer of funds permitted under the Indian banking system, at the sole discretion of the Lender. The collection charges or such other charges levied, if any, in respect of all such cheques or modes of transfers will have to borne by the Borrower, irrespective of the time taken for transit/collection/ realisation of the cheque by the Borrower or its bank.

2.6 Terms of Disbursement

Notwithstanding anything to the contrary contained herein, the Lender may, by notice to the Borrower,

suspend or cancel further disbursements of the Loan if the Loan granted shall not have been fully drawn and shall not have been cancelled by the Lender.

2.7 Furnishing Statements

The Lender may, as on 31st March of every year, send to the Borrower, every year a statement of transaction drawn as on March 31, showing the amount due, the interest charged, etc. to the Borrower. Unless the Borrower notified the non-receipt of this statement or points out any discrepancy therein within 15 days of receipt of statement, it shall be presumed that the borrower has agreed and accepted that the amount stated therein is due and outstanding against him.

2.8 Processing charges

The Borrower shall be liable to pay to the Lender processing charges as stated in the Schedule at the time of and together with the application for Loan. The said amount of processing charges shall be refundable to the borrower only in the event the Borrower notifies its intention for not availing of the Loan prior to the Lender intimating its approval to the borrower for grant of the Loan.

2.9 Repayment of Loan

(a) The repayment of the Loan and the interest thereon shall be made by the Borrower in instalments. The details such as number, due dates and amount in respect of the instalments are described in the Second Schedule. The repayment schedule is without prejudice to the right of the Lender to be paid on demand as contemplated under this agreement, the entire Loan amount along with other dues. Further, the computation / fixation of the Instalment will be without prejudice to the right of the Lender to re-compute the amount of Instalments and interest thereon including in case it is discovered at any stage that the Instalments have been computed wrongly. The instalments shall be payable as per the second schedule.

(b) The Borrower agrees that time is the essence of the contract.

(c) The payment of instalments shall commence and continue irrespective of the asset being delivered to the Borrower by the Dealers/Manufacturer or not and notwithstanding any difficulties that the Borrower may be facing or any disputes, objections, protests, complaints or grievances which the Borrower may have with or against the Dealers/ Manufacturer/ any person or in respect of the delivery of the asset or in respect of the asset itself.

(d) No notice, reminder or intimation will be given to the borrower regarding his obligation to pay the instalment regularly on due date. It shall entirely be the responsibility of the Borrower to ensure prompt and regular payment of the Instalment.

(e) Without prejudice to any other rights and remedies which the Lender may have under this agreement and / or under the prevalent law, in the event of any delay by the Borrower in any payment to the lender under this agreement, the lender shall be entitled to charge an additional interest as described in the first Schedule on the entire such outstanding amount, whether of Loan, interest or any other charges payable hereunder. The aforementioned additional charge would not affect the obligation of strict compliance with repayment schedule being an essential condition for the grant of Loan.

(f) Any dispute being raised about the amount due or interest computation will not enable the Borrower(s) to withhold payment of any Instalment.

2.10 Mode of payment of the Instalment

(a) Subject to the terms and conditions stipulated hereunder, the repayment, in the case of Cars/Jeeps, shall be by way of Post Dated cheques / ECS. In case of other vehicles, the repayment shall be by way of Post Dated cheques or by ECS or by the Borrower's remittance in cash or by Demand Draft to the lender on the dates specified in the Second Schedule irrespective of the delivery of Asset. The Borrower acknowledges that strict compliance by him with the repayment schedule is an essential condition for the grant of the Loan.

(b) No notice, reminder or intimation shall be given by the Lender to the Borer prior to the presentation of any of the PDCs and insurance premium cheques issued by him.

(c) If any or more than one or all of the PDCs delivered to the Lender by the Borrower pursuant to Article 2.10(a).

(i) is/are lost, destroyed or misplaced while in the custody of the Lender or

(ii) become(s) non encashable due to death, insolvency, lunacy, termination of authority or otherwise of the signatory or any or more of the signatories (if more than one) thereof or liquidation or any moratorium of the drawee bank, then in such an event, the Borrower shall, on receipt of the intimation of such loss, destruction or misplacement (as the case may be) from the lender or immediately on the said cheques or any of those being non encashable due to the reasons mentioned in 2.10(c) (i) above, deliver to the Lender such numbers of cheques as are adequate to replace those that have been lost, destroyed, misplaced or become non encashable, or make such suitable alternative arrangement for repayment of Loan as is acceptable to and is approved by the Lender.

(d) It is agreed and understood by the Borrower that non-presentation of the cheques by the Lender due to any reason whatsoever will not affect the liability of the Borrower to repay the Loan. The Lender shall not in any way be responsible for delay, omission or neglect in encashment, damage or loss of any cheques (already given or to be given by the Borrower to the Lender in terms hereof) for any reason whatsoever.

(e) Without prejudice to any other rights or remedies the Lender may have under this Agreement and/ or under the prevalent law, the Borrower shall be liable to pay a flat charge as stated in the first Schedule in case of dishonour of the PDCs on the first presentation. In case of dishonour on the second presentation, a further charge, as stated in the first Schedule, would be levied in respect of such dishonoured PDC. The quantum of the charge on the dishonouring of post-dated cheques (both on the first and second presentation) is also stipulated in the first Schedule. The levy of charge upon dishonouring of the cheque is without prejudice to the rights of Lender under the Negotiable Instruments Act, 1881, as amended and as in force for the time being, and without prejudice to the other rights, which the Lender has under this agreement or under law or equity.

(f) When the payments are not made by way of Post Dated Cheque the borrower shall be liable to pay a flat charge as stated in the first Schedule subject to revision at the Lender's discretion from time to time.

(g) Where remittances are made by way of Outstation Cheques, the Borrower shall be liable to pay the charges as stated in the First Schedule subject to revision at the Lender's discretion from time to time.

(h) "The Borrower shall be liable to pay the travelling expenses and other charges mentioned in the Schedule - 1A of this Agreement".

(i) "The charges mentioned in the First Schedule and Schedule - 1A are subject to change with intimation to the Borrower and the Borrower agrees to pay such revised charges from the date of intimation".

2.11 Alteration and Re-Scheduling of the Instalments

"The lender shall be entitled to, if the Lender deems fit in the circumstances, alter or re-schedule the instalments, in such manner and to such extent as the Lender may, in its sole discretion, decide with due notice to the Borrower and the repayment will be made by the Borrower as per the said alteration and / or rescheduling from the date of which the instalments are altered or re-scheduled, notwithstanding anything stated in the second schedule.

2.12 Liability of the Borrower to be Joint and Several

The liability of the Borrower to repay the loan together with interest, etc., and to observe the terms and conditions of this agreement/ and any other agreements, document/s that may have been or may be executed by the Borrower with the Lender in respect of this Loan or any other loan or loans, is joint and several and consequently the lender shall have a sole discretion to proceed against both or either of them to recover the Loan and other charges payable by the Borrower to the Lender.

ARTICLE 3 SECURITY

3.1 In consideration of the Lender having granted or agreed to grant to the Borrower the Loan facility, subject to the terms and conditions mentioned herein, the Borrower hereby hypothecates to/ agrees to hypothecate and charges in favour of the lender, by the way of an exclusive first charge, the asset together with all accessories, additions to or in the said asset whether present or future and improvements, renewals and replacements made or to be made on the Asset as detailed under the first Schedule, against which the Loan facility is being taken. In this regard the Borrower has also executed the irrevocable power of attorney in favour of the Lender in the form attached hereto. The

Borrower also agrees and undertakes to execute such further documents and make such filings as may be required by the Lender to perfect the charge of the Lender on the Asset.

3.2 The hypothecation shall be deemed to take place immediately on signing of this agreement or delivery of the Asset(s) whichever is earlier.

3.3 The charge created by the Borrower in Article 3.1 hereof shall stand as security for the due repayment and payment by the Borrower of the Loan granted or to be granted by the Lender to the Borrower and of all fees and interest, costs and expenses incurred or to be incurred by the Lender hereunder and all other monies payable or which may become payable by the Borrower to the Lender pursuant to the terms hereof.

3.4 The charge created by Borrower herein shall continue unless and until the Lender issues a certificate discharging the security created herein and shall not affect, impair or discharge the liability of the Borrower by insolvency, arrangement with creditors, mental disability or physical disability winding up (voluntary or otherwise) or by any merger or amalgamation, reconstruction, takeover of the management, dissolution or nationalization (as the case may be) of the Borrower.

3.5 If the Asset has not been delivered to or in the case of vehicle has not been registered in the name of the Borrower at the time of execution of the agreement, the particulars of the vehicle that are not available at such time and shall be intimated in writing by the Borrower to the Lender within one week of such delivery and / or registration and such particulars shall be read as a part and parcel of the Schedule hereunder as if they had been incorporated therein at the time of execution of this agreement. The Borrower agrees not to take the pleas that on the date of execution of this agreement, as the details of the Asset or any part thereof were not available, the charge is inoperative defective or invalid or in any way unenforceable.

3.6 The Borrower shall register the vehicle within such time as has been stipulated by the appropriate authority.

3.7 The Borrower hereby confirms that the Borrower is aware of all the details of the Asset(s).

3.8 The Borrower has also executed a promissory note by way of security for the amount of loan and interest thereon.

3.9 The Lender may require the Borrower to furnish such additional securities including guarantee(s) from third party, as the Lender may deem fit, in its sole discretion. In such an event the Borrower shall provide such additional security and in this regard execute such Agreements, undertakings, documents, power of attorney/s that may be required by the Lender. The Borrower shall not revoke or terminate any such contracts, agreements, undertakings, documents, etc., till all the amounts due and payable by the Borrower to the Lender under this Agreement have been paid in full and certified so by the Lender.

ARTICLE 4 APPROPRIATION OF PAYMENT

4.1 The Lender shall have a right to appropriate any payments due and payable under the Loan Agreement and made by the Borrower towards dues in the order the Lender deems fit, towards the following:

- (i) Premium on prepayment;
- (ii) Costs, charges, expenses and other monies;
- (iii) Interest on costs, charges, expenses and other monies;
- (iv) Service charges;
- (v) Interest, including additional interest, if any, payable in terms of the loan agreement;
- (vi) Repayment of Instalments of Principal due and payable under the Loan Agreement.
- (vii) Repayment of dues under any other contract/s viz. Tyre Finance, Fleet Card facility, Insurance Finance etc., irrespective of the capacity either as Borrower or guarantor under the said contract/s.

ARTICLE 5
BORROWER'S CONTRIBUTION TOWARDS COST OF THE ASSET

5.1 Prior to disbursement of the Loan by the Lender, the Borrower shall furnish to the Lender the documents showing the payment made by him to the dealers / manufacturers/ any person by way of his own contribution towards the cost of the Asset, and also the proforma invoice.

ARTICLE 6
CONDITIONS FOR DISBURSEMENT

6.1 The obligation of the Lender to make any disbursements under the Loan Agreement shall be subject to the conditions that:

- (a) The Borrower has created security, furnished the guarantee/s and executed the promissory note and all the other necessary documents to the satisfaction of the Lender as stipulated in Article 3 above in favour of the Lender;
- (b) Non-existence of any event of default by the Borrower.
- (c) No extra-ordinary or other circumstances have occurred which shall make it improbable for the Borrower to fulfil its obligation under this Agreement.

ARTICLE 7
REPRESENTATION OF THE BORROWER

7.1 The Borrower has adequate legal capacity to enter into and execute this Agreement. The Borrower is not restricted in any manner or prevented in any manner under any law, statute, judgement, decree, ruling, contract or otherwise from executing and undertaking the obligations in the manner provided in this Agreement. Upon execution, this agreement shall be a valid legally binding commitment of the Borrower enforceable against him in terms of this Agreement to which he is or he shall be a party.

7.2 No encumbrance of any nature or any lien exists over the Asset hypothecated herein.

7.3 He has obtained and done all that is necessary to give full force and effect to all authorizations, approvals, consents, licenses and permissions required in relation to this agreement, collateral documents and the hypothecated Asset. The Borrower has paid all taxes and statutory dues payable by him and has not received any demand, claim or notice from any person.

7.4 The Borrower would ensure at all times during currency of the Agreement that the person who would be driving the vehicle(s) holds a valid driving licence entitling him to drive the vehicle(s).

7.5 There are no suits, actions or claims pending or are likely to be filed or taken (whether civil or criminal or otherwise) against the Borrower of any nature whatsoever.

ARTICLE 8
COVENANTS/ UNDERTAKINGS OF THE BORROWER

The Borrower shall

- (a) utilise the entire Loan for the purpose indicated by him in the first Schedule of this agreement.
- (b) promptly notify any event or circumstances, which might operate as a cause of delay in the completion of this Agreement.
- (c) duly and punctually comply with all laws and rules etc. and make payments of all charges levied or leviable in respect of the Asset. He shall be solely responsible for use, operations and maintenance of the Asset and liability arising there from.
- (d) ensure that the Asset is always duly and properly insured with any insurer approved by the Lender, covering all the risks and hazards, including risks against fire, riots, civil commotions, floods and such wider liability which the Asset is normally exposed and unlimited third party. liability risks, in order to safeguard the security of the Loan and to ensure that the lien of the Lender is marked on the insurance policy, as the beneficiary.

- (e) promptly inform the Lender of any loss or damage to the Asset which he may suffer due to any force majeure or act of God, such as earthquake, flood, tempest, theft or typhoon, etc., or otherwise.
- (f) take all the steps which are necessary to obtain and give full force and effect to all authorizations, approvals, consents, licenses and permissions required or obtained in relation to this Agreement, collateral documents and the hypothecated Asset;
- (g) not sell, lease, transfer, create charge, hypothecate or create encumbrance of any nature whatsoever, or surrender or otherwise howsoever part with possession of the Asset, in any manner whatsoever without the consent in writing of the Lender. Any direct or indirect transfer of the Asset would be deemed to be criminal breach of trust and a case of cheating, entitling the Lender to file / pursue FIR/ or a criminal complaint against the Borrower. The said hypothecated Assets are in the custody of the Borrower in his capacity as a Bailee.
- (h) maintain the Asset in good order and condition and will make all necessary repairs, additions and improvements thereto during the pendency of the Loan.
- (i) maintain sufficient balance in the account of the drawee bank for payment of PDCs issued by him on the day when any instalment becomes payable and thereafter to honour any post-dated repayment cheque.
- (j) shall continue to pay all public demands such as Income Tax and all the other taxes and revenues payable to the Government of India or to the Government of any State or to the local authority; and hereby confirms that, at present, there are no arrears of such taxes and revenues due and outstanding.
- (k) in case of Asset being a new vehicle, get the Asset registered with the appropriate authority under the Motor Vehicles Act, 1988 and shall get the charge of hypothecation on the vehicle(s) created or to be created, duly endorsed and recorded in the certificate of registration in favour of the Lender. In the event of the Asset being a used vehicle, the Borrower shall ensure that requisite endorsement is made on the RC book of the Vehicle(s) indicating hypothecation of such Asset(s) in favour of the Lender.
- (l) submit a copy of the registration certificate relevant to the Asset being a vehicle for which the Loan has been taken of having taken the delivery of such vehicle(s).
- (m) not apply for any duplicate Registration book for the Asset, being a vehicle, otherwise than by delivering the application thereof to the Lender for endorsing its charge on the vehicle(s).
- (n) inform the Lender, in writing, of any damage to or theft of the Asset, lodging of claim with the insurance company in respect of the Asset, or of loss, destruction or misplacement of the Registration Book of the Asset or the insurance policy relating to the Asset, within three working days of such damage or lodgement of claim. In such an event, the lender may, without prejudice to its other rights under this agreement, in law or equity, require the Borrower to take such steps as may be necessary to protect the interests of the Lender.
- (o) shall pay all rates, assessments, taxes and other outgoings which are now or hereafter may be assessed, imposed, or payable for the hypothecated Asset, by the Government, Municipal Corporation, Regional Transport Authority or other Authority and on demand by the Lender, shall produce every receipt of charges, taxes, assessments or other outgoings.
- (p) not suffer or allow to suffer any attachment or distress to the hypothecated Asset or any parts thereof or allow anything that may prejudice or endanger the security herein without the express consent in writing of the Lender. Any direct or indirect transfer of the Asset would be deemed to be criminal breach of trust and a case of cheating, and shall entitle the lender to file / pursue FIR or criminal complaint against the Borrower as the Lender may deem fit.
- (q) undertake to do such acts, deeds, assurances, matters and things as may be required by the Lender for further assuring and confirming the security created herein and the rights, powers and remedies hereby conferred and execute such document(s) at its own cost as may be required in this regard.
- (r) indemnify and agree to keep the lender indemnified and hold harmless from and against all costs, expenses, claims and actions (including third party liability in case of accidents, damage or otherwise) and make good all payments and expenses including legal costs, fees and costs to take possession, insurance and selling of the Asset. He shall also be liable for expenses incurred by the Lender along with interest thereon while pursuing any remedy under the Negotiable Instruments Act, Criminal Procedure Code or at any other forum.
- (s) ensure that he is fully acquainted with the rules of the Lender, as informed from time to time.
- (t) The borrower hereby confirms that the loan amount availed will not be used for purchase of gold in any form including primary gold, gold bullion, gold jewellery, gold coins, units of gold Exchange Traded Funds (ETF) and units of gold Mutual Funds.

ARTICLE 9
REVISION IN THE PRICE OF THE ASSET

9.1 If the price of the Asset is revised upwards after the date of signing of this Agreement, then and in that event the Borrower shall be liable pay the amount required for acquiring the asset(s) at such revised price and the Lender shall not be liable to pay any amount by way of Loan or otherwise for such revision in price of the asset(s). In such a case, the Lender shall be at liberty to cancel this loan transaction and also collect refund of the amount paid to the dealer / manufacturer as booking price or otherwise from the dealer / manufacturer, without prejudicial to any other provisions of this agreement.

ARTICLE 10
DELIVERY

10.1 The Borrower shall be solely responsible for getting the delivery of the Asset from the manufacturer or the dealer or any other person and verifying fitness, quality condition etc., of the same. The Borrower shall intimate the Lender immediately upon taking delivery of the Asset.

10.2 It is agreed and understood by the Borrower that the Lender shall not be liable for any delay in delivery from the manufacturer or the dealer or any other person any demurrage cost or the quality/ condition/ fitness of the Asset. The Borrower absolves the Lender from any liability in respect of the above and the Borrower shall not withhold the payment of the stipulated instalments on the pretext that the Asset has not been delivered or for any reason whatsoever.

ARTICLE 11
USE

The Borrower undertakes not to use the Asset either by himself or through his servants or agents for any purpose not permitted by the terms and conditions of the Insurance Policy nor do or permit to be done any act or thing which might render the Insurance invalid, and in particular, not to use the Asset / vehicle for transport of goods, articles, etc., in contravention of any of the provisions of the acts of Central and State Legislatures relating to Forest, Excise, Customs, Sales-tax, Prohibition, Opium, Railway property, Unlawful Possession, Gold Control, etc., and not to engage in any unlawful or illegal activity and the Borrower shall be responsible for any damage or loss sustained by the Lender in respect of the Asset, as a result of such wrongful or unlawful use. The Borrower undertakes to use the Asset only for the use indicated by the Borrower to the Lender and as stated in this Agreement, at his own costs and expenses.

ARTICLE 12
INSURANCE AND MAINTENANCE

12.1 In order to safeguard the security for the loan and to ensure that the Lender's lien is marked on the insurance, the Borrower shall, immediately after signing this agreement, keep the Asset insured against any loss or damage by accident or fire or other perils under a Comprehensive Policy including the risks against strikes, riots, Civil Commotions, floods and such wider liability to which the asset is normally exposed and unlimited third party liability risks with an Insurance Company approved by the Lender and shall punctually pay all premia and other sums required for keeping the said insurance effective throughout the period of this agreement and produce and deliver (if so required by the Lender) any insurance policy, cover note or receipt on demand by the Lender for its inspection and verification. Each insurance policy shall be in the name of the Borrower with the necessary endorsement in favour of the Lender as 'loss payee' and additional endorsement in favour of the Lender's Bankers, if so required by the Lender.

12.2 The Borrower shall not use the Asset for any purpose not permitted by the terms and conditions of the insurance policy and shall not do or permit to be done any act or thing, which might render the Insurance invalid.

12.3 The Lender may at its sole discretion get the insurance done on behalf of the Borrower, by being a facilitator and making the premium payment to the approved insurance company through Borrower post dated cheque / pay orders / any other payment instructions. However, any non-payment on the

part of the Lender due to any reason will not affect the liability of the Borrower to pay the necessary insurance premium to the insurance company and to keep the Asset insured.

12.4 The first claim on any insurance proceeds shall be that of the Lender. The Borrower hereby irrevocably authorizes the Lender to claim insurance proceeds to safeguard the interest of the Lender and appropriate the proceeds thereof against the dues of the Lender. The Borrower will comply with all directions of the Lender with respect to insurance policy and its renewal as stipulated from time to time.

12.5 The Borrower shall at his cost and without undue delay, carry out repairs to the Asset occasioned by any accident or for any other reason and shall produce bills in respect of insurance claim to the insurance company for settlement. If there are no over dues against the Borrower, the Lender shall pass on to him such benefits as the Lender receives from the insurance company in respect of claim.

ARTICLE 13 EVENTS OF DEFAULT

13.1 The Borrower failing to repay the Loan or any fee, charges, or costs, in the manner herein contained and any one of the instalments or any other amount due hereunder remains unpaid after the date which it is due; or

13.2 The Borrower (in case of being an individual and in case more than one, any one of them) dies or takes any step(s) or any steps are taken with a view to his being made insolvent in any jurisdiction or with a view to the appointment of a receiver, trustee or similar officer of any of his assets; or

13.3 If the Borrower (in case of being a corporate body or a partnership firm) takes any action or other steps are taken or legal proceedings are initiated by any third party against the Borrower for winding up, dissolution or reorganization or for the appointment of a receiver, trustee or similar officer on its assets, particularly on the hypothecated asset(s); or

13.4 if the Borrower sells encumbers or transfer or seeks to sell, transfer, create encumbrance on the hypothecated asset in any manner whatsoever without the express consent in writing of the Lender; or

13.5 The Borrower falls to pay any insurance premium for the hypothecated Asset or the bank charges for dishonoured PDCs/ECS in accordance with the terms and conditions hereof; or

13.6 The hypothecated Asset being confiscated, attached, taken into custody by any authority or is subjected to any execution proceedings; or

13.7 The Borrower falling to pay any tax, impost, duty or other imposition or to comply with any other formalities required to be completed in respect of the hypothecated Asset under law from time to time; or

13.8 The hypothecated Asset being stolen, is untraceable for any reason whatsoever, or

13.9 The Asset is distrained, endangered or damaged in any manner or rendered unfit for use or bodily injury is caused to the third party by accident with the Asset; or

13.10 Any of the PDCs/ ECS delivered or to be delivered by the Borrower to the Lender in terms and conditions hereof is not honoured for any reason whatsoever on presentation; or

13.11 Any instruction being given by the Borrower for stop payment of any PDCs/ECS given as per Article 2.10 for any reason whatsoever; or

13.12 The Borrower failing to supply a copy of the registration certificate of the Asset being the vehicle with hypothecation endorsement in favour of the Lender; or

13.13 Any circumstance arises which gives reasonable grounds in the opinion of the Lender that it is likely to be prejudicial or endanger the hypothecated Asset or the interest of the Lender therein or under this agreement; or

13.14 The Borrower failing to file the particulars of the Assets [both old and new vehicle(s)] as provided in this agreement; or

13.15 The Borrower committing breach of any of the terms, covenants and conditions herein contained or any information given or representations made by the Borrower to the Lender under this Agreement or any other document submitted by the Borrower being found to be inaccurate or misleading; or

13.16 There exists any other circumstance, which in the sole opinion of the Lender, jeopardizes the Lender's interest.

13.17 The Borrower being declared insolvent, bankrupt or [in case of a company any winding up or liquidation proceedings being filed against the Borrower]; or

13.18 Any default being committed by the Borrower in discharging its liabilities under any other Agreement entered into between the Lender and the Borrower, in any capacity.

ARTICLE 14 LENDER'S RIGHT

14.1 (A) Upon occurrence of any/ all of the aforesaid events of default, the Borrower shall be liable to pay the following to the Lender within 10 days from the date of receipt of notice from the Lender;

(a) Arrears of instalments;

(b) Instalments for the remaining period, which would have been payable by the Borrower. if the agreement had run to its full term;

(c) Additional interest at the rate specified in the first schedule on the principal outstanding and on the other amounts due;

(d) all other sums and charges of whatsoever nature, including but not limited to interest on account of default in payment of insurance premia, and on account of other taxes.

(B) However, in extraordinary circumstances where there is a likelihood of the Borrower all or secreting or keeping the asset beyond the reach of the Lender or the Borrower using asset for unlawful purposes on the Borrower subjecting the Assets to abnormal wear and tear and/or alienating such other Asset of the Borrower which provide additional cover to the Lender for recovery of the amount due under the agreement, the Lender shall be entitled to take such steps including seizure of the Asset without any notice to the Borrower.

14.2 In the event of failure of the Borrower in complying with the demand in the said notice the Borrower shall be bound to surrender the asset to the Lender at the cost of the Borrower at such location, as the Lender may designate, in the same condition in which it was originally delivered to the Borrower ordinary wear and tear excepted, failing which, the Lender shall be entitled to seize the Asset wherever it is, without any further notice. The Borrower shall not prevent or obstruct the Lender from taking the possession of the Asset. For this purpose, the Lender's authorised representatives, employees, officers and agents will have unrestricted right of entry and shall be entitled to enter upon the premises, or garage, or godown, where the Asset shall be lying or kept, and to seize the Asset. In the event of the Borrower not cooperating, the Lender, If necessary, have the right to break open any such place where the asset is believed to be kept and to seize the Asset. The Lender will be well within its rights to use tow-van or any carrier to carry away the Asset. the Borrower shall be liable to pay any towing charges and other such expenses incurred by the lender in connection with the seizure of the asset and for its sale etc.

14.3 After seizure of the asset by the lender's authorised representatives employees, officers and agents will prepare an inventory of the Asset. The Lender will send a notice after seizure or surrender of the Asset by the Borrower along with a copy of the inventory granting the Borrower 10 days times to settle the contract and to take back the vehicle. The Borrower shall, in the event of failing, to setting the contract within the time limit mentioned above, deliver all original documents relating to the Asset including the RC book, Tax token Permit and insurance Certificate/ Policy etc., in the case of Asset

being vehicle, if the said documents were not available in the vehicle at the time of seizure or surrender and shall render all assistance including execution of necessary documents for transfer of the Asset in favour of the Lender or its nominees or its agents or the purchaser of the asset identified by the Lender. If, however, the Borrower fails to render necessary assistance for transfer of the Asset, the Lender shall be entitled to take all such steps unilaterally as may be necessary to facilitate early sale of the Asset.

14.4 Neither the Lender, nor its agents, officers, nominees shall be in any way responsible and liable and the Borrower hereby agrees not to make the lender or its officers, agents or nominees liable for any loss, damage, limitation, or otherwise for any belongings and articles that might be kept or lying in the hypothecated asset at the time of taking charge and or possession of seizure of the hypothecated asset.

14.5 On the Borrower repaying the amount due to the lender in full to the satisfaction of the Lender, the Lender agrees to return the Asset to the Borrower the Lender may at sole discretion also agree to release the Asset on part payment of t dues on such undertaking / conditions which the Lender may prescribe. The Borrower shall pay all costs of seizure / surrender the expenses incurred by the Lender after seizure / surrender, including garage rent etc. The Borrower shall acknowledge delivery receipts addressed to the lender which is an acknowledgement that Borrower has taken delivery of the asset in the same condition in which it was seized/ surrender by the Lender / Borrower together with the documents and articles kept in the vehicle. The Borrower shall not raise any dispute nor make any claim regarding seizure of the Asset or condition of the Asset or any documents and articles kept in the Asset at the time of seizure/ surrender of the asset.

14.6 The lender shall in any/ all the aforesaid Events of default, be entitled to and the Borrower hereby irrevocably authorises the Lender to sell / transfer / assign the Asset either by public auction or by private treaty or otherwise howsoever, and appropriate the proceeds thereof towards repayment of all the outstanding amounts from the Borrower to the Lender under this agreement.

14.7 If the sale proceeds are not sufficient to meet all the dues of the Lender, the Borrower shall be liable to pay for any deficiencies after the said appropriation. In case there is any surplus after adjusting the dues of the Lender, the same shall be paid to the Borrower. Nothing contained in this article shall oblige the Lender to seize or sell the asset and the Lender shall be entitled to proceed against the Borrower or Guarantor(s), if any independently of such security, particularly the Lender deprived of seizing the Asset for any reason whatsoever.

14.8 The Borrower shall not be entitled to raise any objection regarding the regularity of the sale and / or actions taken by the Lender nor shall the lender be liable / 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 Lender for the said purpose.

14.9 The Lender shall be entitled to recover from the Borrower all expenses (including legal costs on full indemnity basis) incurred by or on behalf of the Lender in ascertaining the whereabouts of the asset, taking possession, garaging, insuring, transporting and selling the asset and of any legal proceedings that may be filed by or on behalf of the Lender to enforce the provisions of this agreement. It is expressly clarified that the remedies referred to herein above shall be in addition to and without prejudice to any other remedy available to the lender either under this agreement, or under any other agreement / undertaking, or in law or equity.

14.10 Notwithstanding anything to the contrary contained in section 151 of the Indian Contract Act, the Lender or its officers, agents or nominees shall not be in any way responsible for any loss, damage, limitation, or depreciation that the hypothecated Asset may suffer or sustain on any account whatsoever whilst the same is in the possession of the Lender or its officers, agents or nominees or because of exercise or non-exercise of the rights, powers, or remedies available to the Lender or its officers, agents or nominees and all such loss, damage or depreciation shall be debited to the account of the Borrower howsoever the same may have been caused.

**ARTICLE 15
GUARANTEE**

15.1 If the Lender requires, the Borrower shall furnish guarantee(s) issued by a third party acceptable to the Lender, as and by way of additional security, in the Form provided by the Lender.

**ARTICLE 16
PREPAYMENT**

16.1 If the Borrower desires to prepay the Loan earlier than as indicated in the second Schedule, foreclosure charges as indicated in the first Schedule shall be payable by the Borrower on the balance outstanding on the date of such foreclosure in addition to the Loan. The prepayment shall take effect only when cash has been paid in or cheques have been cleared.

**ARTICLE 17
SECURITISATION**

17.1 The Borrower expressly recognizes and accepts that the Lender shall be absolutely entitled and have full power and authority to sell, assign or transfer in any manner, in whole or in part, and in such manner and on such terms as the Lender may decide, including reserving a right to the Lender to retain its power hereunder to proceed against the Borrower on behalf of the purchaser, assignee or transferee, any or all outstanding and dues of the Borrower, to any third party of the Lender's choice without reference to or without written intimation to the Borrower. Any such action and any such sale, assignment or transfer shall bind the Borrower to accept such third party as creditor exclusively or as a joint creditor with the Lender, or as creditor exclusively with the right to the Lender to continue to exercise all powers hereunder on behalf of such third party and to pay over such outstandings and dues to such third party and or to the Lender as the Lender may direct. The Borrower acknowledges and undertakes to pay to third parties the difference between the loan amount outstanding and the amount received by the Lender in the event of transfer of the portfolio to a third party. The third party shall have authority of the Borrower (s) to collect the due amounts.

**ARTICLE 18
LENDER'S RIGHT TO APPOINT AGENCY**

18.1 The Borrower expressly recognizes and accepts that the Lender shall without prejudice to its right to perform such activities itself or through its officers or servants, be absolutely entitled and have full powers and authority to appoint one or more third parties of the Lender's choice and to transfer and delegate to such third parties the right and authority to collect on behalf of the Lender the instalments/ interest/ other charges due to the Lender under this agreement and to perform and execute all acts, deeds, matters and things connected therewith or incidental thereto including sending notices of demand, attending the residence or office of the Borrower or otherwise contacting the Borrower for receiving the amount due.

**ARTICLE 19
SET-OFF AND LIEN**

19.1 Notwithstanding anything contained in this Agreement, the Lender shall have a lien over all the Assets of the Borrower(s) in the Lender's control and a right of set off against any monies due to the Lender from the Borrower and to combine all accounts of the Borrower (s) for recovery of the Lender's dues hereunder.

19.2 It is hereby agreed and understood by the Borrower that, in the event of Borrower (s) defaults in payment of the instalments / charges / fees, without prejudice to the right of termination the Lender shall have the right to set-off the amount in the Borrower's account that it may be holding with the Lender with the amount in respect of which the default has been committed under this agreement.

**ARTICLE 20
NOTICES**

20.1 A certificate/ notice in writing signed by an officer of the Lender stating the amount at any particular time due shall be conclusive evidence both against the Borrower and Guarantor(s) if any.

20.2 Any change in address of the Borrower, shall be notified to the Lender in writing within one week. Any notice, letter and other documents shall be sent to the address as stated in this Agreement or the address notified by the Borrower , by registered post with acknowledgement due or by post or by courier or by any other means of transmission of documents like fax message on electronic mail service. The notice, letter, other documents sent by registered post with acknowledgement due or by post shall be deemed to have been received by the addressee 48 hours after it has been despatched.

20.3 In all correspondence, the Agreement number should be quoted.

20.4 All correspondence shall be addressed to the Lender at the address of the Lender mentioned in the description of parties appearing in the preamble to this Agreement.

ARTICLE 21 PARTIAL INVALIDITY

21.1 If any provision of this Agreement or the application thereof to any person or circumstance shall be invalid or unenforceable to any extent for any reason including by reason of any law or regulation or government policy, the remainder of this Agreement and the application of such provision to persons or circumstances other than those as to which it is held invalid or unenforceable shall not be affected thereby, and each provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law. Any invalid or unenforceable provision of this Agreement shall be replaced with a provision, which is valid and enforceable and most nearly reflects the original intent of the unenforceable provision, in a mutually agreeable manner.

ARTICLE 22 LAW, JURISDICTION, ARBITRATION

22.1 (a) All disputes, differences and / or claim arising out of this Agreement whether during its subsistence or there after shall be settled by arbitration in accordance with the provision of the Arbitration and Conciliation Act, 1996, or any statutory amendments thereof and shall be referred to the sole Arbitration of an Arbitrator nominated by the by the Managing Director of the Lender. The award given by such an Arbitrator shall be final and binding on the Borrower to this Agreement.

(b) The venue of arbitration proceedings shall be at Chennai.

(c) The arbitrator so appointed herein above, shall also be entitled to pass an Award on the hypothecated asset and also on any other securities furnished by or on behalf of the Borrower.

ARTICLE 23 ENTIRE AGREEMENT

23.1 This Agreement (including the first and the second Schedules) along with the documents executed or to be executed by the Borrower in favour of the Lender pursuant to this Agreement shall constitute the entire agreement between the Parties hereto with respect to its subject matter.

ARTICLE 24 DISCLOSURE BY THE LENDER

24.1 It is acknowledged by the Borrower that the Lender shall be entitled to make such enquiries about the Borrower by themselves or through their authorised person and also to disclose the information pertaining to the Borrower to any credit bureau, or other Person as the Lender may deem fit, and the Borrower hereby agrees and undertakes not to dispute or question the same on any manner whatsoever.

**ARTICLE 25
TERM AND TERMINATION**

25.1 This Agreement shall come into effect from the date of this Agreement and shall terminate only upon the Borrower making full repayment to the Lender of the Loan, interest thereon and all on charges and dues payable by the Borrower, to the Lender under this Agreement.

**ARTICLE 26
MISCELLANEOUS**

26.1 Language

English shall be used in all correspondence and communications between the Parties.

26.2 Amendments

No modification or amendment of the terms of this agreement except to the revision in interest rate as provided under Article 2 (2.3) and also alteration or rescheduling of the instalment as provided under Article 2 (2.11) herein and no waiver of any of the terms or conditions hereof shall be valid or binding unless made in writing and duly executed by the Lender the Borrower.

26.3 Cumulative Rights

All remedies of Lender under this agreement whether provided herein or conferred by statute, civil law, common law, custom, trade or usage are cumulative and not alternative and be enforced successively or concurrently.

26.4 Benefit of the Loan Agreement

The Loan Agreement shall be binding upon and to ensure to the benefit of each party thereto and its successors or heirs, administrators, as the case may be.

26.5 Any delay in exercising or omission to exercise any right, power or remedy accruing to the Lender under this agreement or any other agreement or document shall not impair any right, power or remedy and shall not be construed to be a waiver thereof or any acquiescence in any default, nor shall the action or inaction of the Lender in respect of any default or acquiescence in any default, affect or impair any right, power or remedy of Lender in respect of any other default.

26.6 The Borrower's liability under this Agreement shall be joint and several.

**ARTICLE 27
ACCEPTANCE**

The Borrower hereby declares as follows:

27.1 He has read the entire Agreement containing Pages 1 to 8 and the Details given in the Schedule. He shall be bound by all the conditions of the Agreement.

27.2 This Agreement and other documents have been explained to him in the language understood by him and he has understood the entire meaning of all the clauses.

27.3 He agrees that this Agreement shall be concluded and become legally binding on the date when the authorised officer of the Lender signs this Agreement.