

## LOAN CUM HYPOTEHCATION AGREEMENT

THIS **LOAN AGREEMENT**(“**Agreement**”) is made at the place and on the date as stated in the Schedule 1 hereunder written ( “the Schedule 1”) BETWEEN The Borrower described as stated in the Schedule 1 hereinafter referred to as “**Borrower**” (which expression shall, unless repugnant to the context or meaning thereof, be deemed to mean and include his / her / its / their respective heirs, administrators, executors, legal representatives (where the borrower is an individual / sole proprietor) , successors (where the Borrower is a company incorporated under the Companies Act 1956/2013 or any other body corporate) , the partner(s) from time to time of the firm, the survivor(s) of them and their heirs, executors administrators, legal representatives and the successors of the partner(s) (where the Borrower is a partnership firm) of the First part

**And**

The Person mentioned as Guarantor(s) in Schedule 1 (hereinafter referred to as “**Guarantor(s)**” which expression shall unless it be repugnant to the context or meaning thereof, be deemed to mean and include its successors and permitted assigns) of the Second Part;

**And**

M/s Shriram City Union Finance Limited, a Company incorporated under the Companies Act 1956 having its Registered office at 123 AngappanNaickenStreet , Chennai 600001 , and an office at the address mentioned in Schedule 1, hereinafter referred to as the “**Lender**”, which expression shall, unless it be repugnant to the subject or context thereof, shall mean and include its successors, transferees and assigns, of the Other Part.

*The Borrower, the Guarantor(s) and the Lender shall hereinafter be referred to individually as “**Party**” or collectively as “**Parties**”.*

Reference to any gender shall include all genders and reference to the single number shall include reference to plural numbers and vice versa in the context thereto.

WHEREAS

- (a) The Lender is inter-alia engaged in the business of extending financial assistance for the purchase of motor vehicles and other assets (hereinafter referred to as “the Assets”/ “the Vehicle”)
- (b) The Borrower(s) has requested the Lender for financial assistance for the purchase of Vehicle/ Asset more fully described in Schedule 1 of this Agreement, against the security of the said Vehicle/ Asset, which is free from any encumbrance.

- (c) The Borrower(s) in consideration of having availed the loan facility, has agreed to abide by the terms and conditions stipulated by the Lender and more fully set out hereunder and in particular not to deal with Schedule mentioned asset / collateral asset, by way of sale, alienation, hypothecation, pledge or in any other manner whatsoever except as herein authorized by the Lender in writing, until the entire due amount under this Agreement is paid to the Lender.
- (d) The Lender, relying upon the above representations made by the Borrower(s) has agreed to provide the loan sought for to the Borrower(s), upon the terms and conditions stipulated herein.

**NOW IT IS AGREED BY AND BETWEEN THE PARTIES HERETO AS UNDER:**

1. The Borrower had approached the Lender for a Loan amount as stated in Schedule 1 (the loan amount hereinafter shall be referred to as 'the loan' or "Loan" or "Loan Amount") for purchase of a Vehicle as mentioned in Schedule 1 hereto and the Lender has agreed to extend the Loan subject to the terms, conditions herein below.
2. **Financing Arrangements**
  - 2.1 This Agreement entered into between the Lender and the Borrower in connection with the Loan is a pure financing arrangement and the Borrower shall bear all risk in relation to the vehicle purchased under this Loan Agreement.
  - 2.2 The Borrower agrees to pay to the Lender the processing fee together with Goods & Service tax (GST) as set out in Schedule 1. Alternatively, the Borrower hereby authorizes the Lender to deduct the processing fees including GST from the Loan Amount and disburse the balance loan amount to the dealer. The Borrower hereby confirms that irrespective of deduction of processing fees including GST, the obligation of the Borrower to repay to the Lender shall be of the entire Loan Amount along with Interest, and other charges in terms of this Agreement. The processing fee deducted by the Company is to meet the out of pocket expenses and the same is not refundable / non-adjustable.
  - 2.3 The Borrower shall continue to pay the installments/ Equated Monthly Installments ( EMI ) as per Schedule 1 hereto on the respective due dates ( " Due dates") regardless of whether the Vehicle is in good condition / has been delivered or not.
  - 2.4 Any amount received from the Borrower shall normally be credited to the EMI dues. The Borrower hereby authorizes the Lender at their discretion to appropriate such receipts, first towards bank Charges, then towards Expenses and then towards Overdue Interest for delayed payment and then the balance if any, will be credited/ adjusted towards the installment dues. The Lender shall have the discretion to alter the mode of such appropriation. Similarly, the proceeds of sale of Vehicle when repossessed and sold shall be appropriated at the discretion of the Lender. The Borrower hereby agrees that the net amount after deduction of all applicable taxes including GST on the charges will be credited to the loan account.

### 3. Repayment of Loan

- 3.1 The Borrower shall repay the Loan together with interest as per schedule 1 forming part of this Agreement, whether demanded or not on the respective due dates.
- 3.2 The Borrower agrees to pay to the Lender the Advance EMI as set out in Schedule 1. The Borrower hereby authorizes the Lender to deduct the advance EMI from the loan amount and to disburse the balance loan amount to the Dealer. The Borrower hereby confirms having understood that interest is charged on the net Loan amount (viz. Loan amount minus advance installment / EMI). The Borrower hereby confirms that he has understood the computation of 'effective / annualized interest' mentioned in the schedule 2 herein, and agrees to repay the loan in terms of the schedule 1 herein.
- 3.3 The Borrower hereby confirms that the effective rate of interest as specified in schedule 2 is arrived at on the basis of the amortization of principal and interest, and that the Borrower shall not dispute such calculation at a later date.
- 3.4 The mode of repayment by the Borrower will either be by issue of ACH Mandate / ECS / Auto Debit / cash remittances or Post dated cheques as desired by the Borrower. If the installment is not credited to the account of the Lender on the due date, then it shall be construed that the Borrower is at default and the clauses consequent to default will be applicable.
- 3.5 The Borrower shall be liable to pay cheque dishonor charges together with applicable GST as mentioned in the schedule 2. Upon the ACH / ECS / cheque being dishonored / ECS or ACH payments not received / stopped, the Borrower shall replace such cheque / ECS / ACH with a demand draft or cash by paying the defaulted amount together with overdue interest at the rate as per schedule 2 hereto until realization of the amount, besides the Cheque dishonor charges and other charges.
- 3.6 **The Borrower shall be liable for payment of Overdue interest at the rate as specified in Schedule 2 on all the amounts which have not been paid by the Borrower and shall be computed from the respective due date for payment till realization.**
- 3.7 If any of the post dated cheque is lost, destroyed or misplaced while in the custody of the Lender or become non en-cashable due to death, insolvency, lunacy, termination of authority or the liquidation of the drawee bank or requires replacement for any reason whatsoever in the discretion of the Lender, then in that event, the Borrower or his legal representative / heirs shall within 15 working days of receipt of such intimation from the Lender substitute/ replace any such cheque/s or mandate with fresh cheque/s or mandate. .
- 3.8 The Borrower may swap/ interchange the Cheques or mandates subject to consent of the Lender on payment of Swap charges as per schedule 2 together with applicable GST.
- 3.9 The Borrower shall not close the bank account on which mandate / PDC is issued, until discharge of the liability under this Agreement. If in case, the Borrower intends to close the Bank account for any reason whatsoever, then in such event, the Borrower shall replace the mandate / Post Dated Cheques issued in favour of the Lender, together with payment of swap charges as per schedule 2 hereto.
- 3.10 The Borrower shall make available the funds in the bank account required for meeting out the repayment obligations under this Agreement irrespective of any other commitment or obligations of Borrower.

3.11 The Borrower is liable for payment of collection expenses (together with GST) as per Schedule 2 for every attempt made by the Lender to collect the delinquent amount from the Borrower. This is in addition to the other amounts payable by the Borrower to the Lender under this Agreement.

#### **4. Guarantee**

4.1 In Consideration of the Lender having advanced the Loan to the Borrower, the Guarantor hereby agrees and confirms that the Liability of the Guarantor to discharge the amounts due to the Lender in terms of this Agreement is joint and several with that of the Borrower. The Guarantor does hereby guarantee and undertakes to pay the Lender the installments along with any penalties, costs, charges, commission, expenses and statutory dues, if any, together with applicable GST without any demur or protest or contest and without any reference to the Borrower, unconditionally without raising any objections or issue whatsoever and irrespective of or not withstanding any dispute or difference in respect of the said amounts due to the Lender. The Lender reserves the right to retain the lien and repossess any asset of the Guarantor towards Liquidation of the outstanding of the Borrower, herein.

4.2 Any amounts thus payable by the Guarantor to the Lender will be paid at the address of its branch as mentioned in this Agreement.

4.3 The Guarantor hereby agrees that the entries in the books/ records kept in the ordinary course of the business by Lender with regard to the amounts due from the Borrower and with regards to the installments, expenses debited to the Borrower's account shall be conclusive evidence against the Borrower and the Guarantor.

4.4 The Guarantor hereby consents to the Lender:

a) Making any variations that Lender may think fit in the terms of this Agreement with the Borrower:

b) Determining, enlarging or varying any contract with the Borrower:

c) Promising to give time to the Borrower or not to sue the Borrower:

d) Parting with any security that Lender may hold in respect of the said Loan.

4.5 The Guarantor hereby declares that this guarantee is in addition to, and not by way of limitations of, substitution for any other guarantee that the guarantor may have previously given or may hereafter give to the Lender (whether alone or jointly with any other party or parties) and that this guarantee shall not revoke or limit any such other guarantee or guarantees.

4.6 The Guarantor agrees and declares that the Lender shall not be bound and compelled to take any proceedings, steps or action against the Borrower for recovery, enforcement or realization of any of their dues from the Borrower or against the said asset including repossessing the same under or pursuant to this Agreement and the Guarantor shall be bound and liable to pay all monies payable under and by virtue of this guarantee notwithstanding that Lender shall not have taken any steps or proceeding against the Borrower.

4.7 It is further expressly clarified that this guarantee is irrevocable having been granted for valuable consideration and shall come into effect simultaneously with the execution of this agreement.

- 4.8 The Guarantee shall remain in full force and will be valid till the complete discharge of liabilities of the Borrower under this Agreement as also all costs, commission and charges hereunder.
- 4.9 The Guarantor agrees that he is jointly and severally liable under the terms of the guarantee. The Guarantor in relation to Lender is and shall be a principal obligator in respect of all obligations, liabilities and responsibilities undertaken in favour of Lender under this guarantee and the Lender shall be entitled to proceed against the Guarantor as if the Guarantor was the principal debtor of Lender in respect of all obligations and payments guaranteed by the Guarantor.

## **5. Security**

- 5.1 In consideration of the grant of the loan by the Lender to the Borrower, the Borrower hereby hypothecates and charges unto the Lender, the financed Vehicle, as security, for the due repayment of the Loan together with all interest, costs, taxes, cesses and outgoes.
- 5.2 The Borrower shall take necessary steps to secure due endorsement of the fact of hypothecation in favour of the Lender in the registration certificate issued by Transport authority pertaining to the Vehicle in question, The Borrower shall also keep the Vehicle duly insured. The Borrower shall also properly and punctually pay the road tax and any other taxes levied by respective governments from time to time in respect of the Vehicle, for the entire period of the Agreement till the account is settled/ closed.
- 5.3 The charge created shall be a first and exclusive charge on the financed Vehicle.
- 5.4 The Borrower shall, on the Lender's request mark the financed vehicle with such marking as may be necessary, to clearly demarcate the asset and indicate the security interest in favour of the Lender.
- 5.5 The Borrower shall also execute a promissory note infavour of the Lender for the amount of the loan repayable with interest thereon.
- 5.6 The Lender is not responsible for delivery of vehicle registration certificate book and that the Borrower shall not withhold payments of any EMI/ Installment on the pretext that Registration Certificate / book or vehicle has not been delivered by the dealer.

## **6. Other conditions**

The Borrower agrees

- 6.1 To take comprehensive insurance cover for the vehicle against fire, theft third party risk and other hazard during the tenure of the Loan period with endorsement infavour of the Lender and forward the comprehensive insurance policy copy(ies) to the Lender regularly every year. Such Insurance shall be a comprehensive insurance and in the event of the Borrower not insuring the same then the entire risk incase of any eventually shall be borne by the borrower only. It is clearly understood between the Parties that the Lender is not obliged to renew the insurance and that any liability arising as a consequence of use or otherwise of the vehicle shall be borne with by the Borrower only. If the insurance is renewed by the Lender, then the same is payable by the Borrower together with interest at the rate as specified in schedule 2.

- 6.2 And authorizes the Lender to receive the insurance claim if any from the insurance Company and appropriate the same to the loan account of the Borrower and the Borrower hereby agrees to pay the balance outstanding amount in case the amount settled by the insurance Company in favour of the Lender, is less than the amount due and payable by the borrower under this agreement.
- 6.3 That the discharge receipt issued by the Lender in favour of the Insurance company is final and binding on the Borrower, in respect of settlement of claims.
- 6.4 To permit the Lender and its agents/ authorized representative to inspect the Vehicle from time to time.
- 6.5 To furnish copies of invoices, other documents of title with endorsement of insurance policy to the Lender.
- 6.6 To pay duties, taxes and fees and other outgoings together with GST, payable in respect of the vehicle as and when the same becomes due / payable and to indemnify the Lender against all such payment. It is hereby agreed that this is not an obligation on the part of the Lender.
- 6.7 To keep the Vehicle in good and serviceable order and condition to the satisfaction of the Lender, reasonable wear and tear and force majeure expected and bear all expenses for maintaining the same.
- 6.8 Not to remove or allow removing the Vehicle from the city / place where it is registered and not to have the Vehicle re-registered without the Lender's prior written consent.
- 6.9 Not to sell, assign, pledge or Mortgage or encumber or in any way part with the possession of the product/ vehicle.
- 6.10 Not to use the Vehicle for any unlawful purpose and shall at times use the Vehicle lawfully.
- 6.11 To intimate the Lender immediately any change in the residence / office address, constitute as well as any change in bank account.
- 6.12 That the copy of the statement of account furnished by the Lender duly certified as correct shall be binding on him as sums due and payable under this Agreement.
- 6.13 And gives his consent that the Lender can send SMS or any Electronic message to his mobile/ Landline or Mail ID regarding his loan account details and he will not complain the same to any authority or forum/ T.R.A.I as he has got obligation to discharge the Loan.
- 6.14 That the hypothecated Vehicle would be continuing security to the Lender for all monies, which are due from the Borrower. It is declared that the said securities are free from any charge, lien prior to this charge and the same are free from all encumbrances etc. and the Borrower undertakes to keep them as such during the time, the said Vehicle is hypothecated/ charged with the Lender herein.
- 6.15 That Non-presentation of the cheque / ECS / ACH on the part of the Lender for any reason whatsoever, shall not in any manner affect the liability of the Borrower
- 6.16 That the credit or discharge of the Loan shall be provided by the Lender only on request on discharge of the liability due under the Agreement.
- 6.17 That the said credit facilities shall be repayable on demand and that Lender can, at any time at its discretion, recall the said credit facilities by giving to the Borrower seven clear working days notice in writing.
- 6.18 That in all correspondence, the Loan account number, as also the full vehicle details i.e., Registration Number, Engine and Chasis number/ Asset details should be quoted by the Borrower.

- 6.19 That the Lender will have absolute discretion to appropriate any payments received from the Borrowers against this Agreement in respect of dues under any other agreements with Lender.
- 6.20 To renew the Fitness certificate in case of commercial vehicles promptly with the registering Authority and not transfer the permit without written consent of the Lender
- 6.21 And confirms and acknowledges that he is liable for payment of any amount to any third party arising out of use of the vehicle and that the Lender is not liable for any payment; and should the Lender incur any liability in this regard, pursuant to an order of the court or otherwise, then the said sum is recoverable from the Borrower and the Guarantor together with interest at the rate as specified in schedule 2

## **7. Power of Attorney**

In consideration of the Lender providing the Loan to the Borrower, the Borrower hereby authorizes the Lender:

- 7.1 To do all such acts, deeds and things as may be required and to make, execute, sign, seal and deliver and cause to be registered in favour of the Lender, as the case may be, at the costs and expenses of the Borrower all such deeds, documents, agreements with all such covenants, conditions, declarations, agreements and stipulation as may, in the absolute discretion of the Lender (Which discretion shall be final and binding on the Borrower) to be deemed necessary as may be required to:
- a) Effectively vest in the Lender, the security created by the Borrower in terms of the loan Agreement.
  - b) File, on behalf of the Borrower, particulars of charge and/ or modification of charge.
- 7.2 To Reposes the Vehicle (in the event of default in payment of any dues under this Agreement) either by the Lender or any other person so authorized by the Lender and to
- a) Negotiate for sale of the vehicle
  - b) Determine and finalize the sale consideration with the intending purchaser/s
  - c) Conclude such documents as may be required to consummate such transaction
  - d) Receive the consideration from the purchaser/s
  - e) Issue receipts and discharge for the same in respect of the Vehicle, and
  - f) Sign transfer papers for and on behalf of the Borrower at the RTO office for transferring the Vehicle
  - g) Receive the insurance claim if any and give valid discharge and confirms that such discharge to the insurance company is binding on the Borrower
- 7.4 To engage any lawyer, counsel or any other professional experts in any court of law or before any arbitrator or authority on behalf of Lender and at the sole cost, of the Borrower.
- 7.5 To pay to any authority any taxes, dues, duties, and demands of any Government or other authorities including any local authority with respect to any payment to be received from the Borrower responsible for paying any amounts and to do or take all such other acts, deeds and things, to protect the interest of the Lender.

- 7.6 To appoint or remove any agent or agents or substitute or substitutes with all or any of the power aforesaid in order to enable such agent/substitute to exercise all or any of the powers of the Lender herein and withdraw any such power from any of them.
- 7.7 To assign, irrevocably, the power vested in the Lender pursuant to this authority in favor of any other person, such that assignee can exercise all or any of the powers given by the Borrower to the Lender herein.

The Borrower doth hereby further agree that all or any of the powers hereby conferred upon the Lender may be delegated by the Lender to any other person and any such person or any officer or officers of the Lender nominated by the Lender in that behalf and to whom the powers have been delegated/ nominated, who has been duly authorized by the Lender in that behalf, may exercise all or any of the powers conferred upon by the Lender hereunder.

## **8. Pre- Payment**

- 8.1 The Borrower agrees that he shall give a minimum notice of 30 days expressing the intention to prepay/foreclose the loan. The prepayment shall have effect only on receipt by the Lender of the entire loan outstanding including Arrears of Installments, Principal outstanding: Interest till date of payments, foreclosure charges, cheque Bounce Charges, Additional finance charges and any other charges due under this loan agreement. All charges are payable by the Borrower together with applicable GST.
- 8.3 In the event of the Lender permitting the Borrower to prepay the Loan, the Borrower agrees to pay the arrears of installments if any, the overdue interest, Principal Outstanding , Bank charges due if any, Repossession charges and other charges as may be applicable together with GST

## **9. Events of Default and Lender's rights and remedies on default by the Borrower:-**

- 9.1 The following shall constitute an Event of Default under this Agreement
- a) The Borrower and / or the Guarantor fails to pay any amount hereunder on or before the due date or commits breach or fails or is unable to comply with any of the terms, covenants or conditions herein contained in this Agreements or any other documents related to the loan: or
  - b) The Borrower and the Guarantor/s (in case of being an individual) takes any step(s) 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
  - c) If the Borrower and the Guarantor/s (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

- d) If the Borrower and the Guarantor/sells, encumbers or transfers 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
- e) The Borrower and the Guarantor/s fails 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
- f) the hypothecated Asset being confiscated, attached, taken into custody by any authority or is subjected to any execution proceedings; or
- g) The Borrower and the Guarantor/s failing to pay any tax, duty or other levy or charges or to comply with any other formalities required to be completed in respect of the hypothecated Asset under law from time to time; or
- h) The hypothecated Asset being stolen is untraceable for any reason whatsoever; or
- i) The Asset(s) 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
- j) Any of the PDCs/ECS/ ACH delivered or to be delivered by the Borrower and/or the Guarantor/s to the Lender in terms and conditions hereof is not honoured for any reason whatsoever on presentation; or
- k) Any instruction being given by the Borrower and the Guarantor/s for “stop payment” of any PDCs/ECS/ ACH / Auto debit, for any reason whatsoever; or
- l) The Borrower failing to supply a copy of the registration certificate of the Asset the Vehicle under hypothecation endorsement in favour of the Lender; or
- m) Any circumstance which gives reasonable grounds in the opinion of the Lender that is likely to prejudice or endanger the hypothecated Asset or the interest of the Lender therein or under this Agreement; or
- n) The Borrower failing to provide copies of invoice and insurance certificate with the endorsement of the Lender; or
- o) The Borrower and the Guarantor/s committing breach of any of the terms, covenants, undertakings and conditions herein contained or any information given or representations made by the Borrower and the Guarantor/s to the Lender under this Agreement or any other document submitted by the Borrower and the Guarantor/s being found to be inaccurate or misleading; or
- p) There exists any other circumstance, which in the sole opinion of the Lender, jeopardizes the Lender’s interest.
- q) The Borrower and the Guarantor/s being declared insolvent, bankrupt or [in case of company any winding up or liquidation proceedings being filed against the Borrower]; or

- r) Any default being committed by the Borrower and the Guarantor/s in discharging his liabilities under any other Agreement entered into between the Lender and the Borrower and the Guarantor/s; in any capacity.

## **10. Consequences of default**

Upon Occurrence of any of the events of default, the Borrower and the Guarantor shall be obliged to update the account together with bank charges, cheque bounce charges, overdue interest at the rate specified in Schedule 2 of this Agreement. The Lender may at any time thereafter,

- a) Issue a notice to the Borrower giving him a minimum of seven days time to update the dues pending as on that date.
- b) In case of the Borrower alienating or secreting or keeping the Asset beyond the reach of the Lender, or the Borrower using the Asset for unlawful purposes or the Borrower subjecting the Asset to abnormal wear and tear and / or alienating such other Assets 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 hypothecated Asset and invoking of the Guarantee without any notice to the Borrower.
- c) On expiry of the notice period, if the dues are not paid as demanded therein, then the Lender may at its sole discretion either by itself or acting through its agent or receiver, enter upon the premises where such Vehicle is located and take possession / seizure of the Vehicle and remove the same, all without any liability to the Lender or its agent, for such entry or damage to the property or otherwise. For this purpose the Borrower hereby expressly grants irrevocable authority to the Lender to enter upon the premises and exercise its rights under this clause. The Lender will be well within his rights to use tow-van or any carrier to carry away the Asset. The Borrower shall be liable to pay any towing charges and any other expenses incurred by the Lender in connection with the seizure of the Asset and for its sale etc.
- d) On taking possession of the Vehicle, the Lender shall terminate the Agreement and call upon the Borrower to pay the entire amount due under the Agreement including the future dues together with liquidated damages as may be determined by the Lender. A minimum notice period of seven days shall be provided to the Borrower to settle the account, on taking possession of the vehicle.
- e) If the Borrower and / or the Guarantors do not settle the account within the time so provided by the Lender, the Lender may proceed to sell the vehicle in "as is where is" condition, by Public Auction either on Web sites or through third parties by private sale or by displaying the details of vehicles offered for sale on the notice Board in the branch office of the Lender or in any manner as deemed appropriate by the Lender. However, if the Borrower settles the account within the notice period, then the Lender shall redeliver the Vehicle to the Borrower.

- f) On sale of the Vehicle, if there is any shortfall in the account then the Lender shall issue a notice to the Borrower calling on him to pay the shortfall amount, and the Borrower is liable to pay the same within seven days from the date of notice together with interest (at the rate as specified in schedule 2) till date of payment. On the contrary if there is any surplus on sale of the vehicle then the Lender shall refund such surplus amount to the Borrower.
- g) The Lender shall be entitled to recover from the Borrower and the Guarantor/s 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 the Agreement. It is expressly clarified that the remedies referred to hereinabove 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.
- h) Notwithstanding anything to the contrary contained in 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 and the Guarantor/s, howsoever the same may have been caused.
- i) Notwithstanding any other rights available to the Lender under this Agreement, the Lender shall be entitled to initiate any other appropriate actions against the Borrower and /or the Guarantor(s) if at any time the Lender at its sole discretion has sufficient grounds to believe that the Borrower and /or the Guarantor(s) has / have made any misrepresentations and / or submitted any forged documents or fabricated data to the Lender.

**11. Circumstances under which the notice period can be waived:**

Under the following circumstances the Lender may repossess the Vehicle without any notice to the Borrower:

- a. When in the opinion of the Lender, the Borrower intends to part with / parts with the possession of the Vehicle without payment of dues to the Lender
- b. When the Vehicle is used for unlawful activities
- c. When the Vehicle is dismantled in part or full by the Borrower thus leading to erosion in value

**12. Notices**

Every notice, request, demand or other communication under this Agreement shall:

- a) be in writing, delivered by hand, or by registered post / Speed post, acknowledgement due, or by Courier or any other mode as decided by the Lender;

- b) be deemed to have been received when delivered by hand, at the time so delivered if during business hours on a business day for the recipient, and if given by Speed post / registered post acknowledgement due, 72 hours after it has been put into post; and be sent to the Borrower to the address mentioned in Schedule 1 hereto and to the Lender at its office address mentioned in Schedule 1 hereto, or to such other address as either party may in writing hereafter notify to the other party.
- c) The Lender may (but not obliged to) send short message services (sms) or email to the Borrower intimating him on the dues payable by him and may call the Borrower and / or the guarantor to pay any dues that is outstanding under the agreement.

The Borrower hereby agrees to pay the postal and other charges as mentioned in Schedule 2 hereto for each of the notices being sent to him / them. All charges paid by the Borrower will be subject to levy and payment of GST as applicable and the Borrower hereby agrees to remit the same. Further, the Borrower / Guarantor hereby confirm that they shall bear all taxes in respect of all payments under this Agreement to the Lender.

**13. Lender's right to sell/assign/securities and administration through Third Parties**

a. 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 and conditions 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 by the Lender to the Borrower Any such action and any such sale assignment of 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 outstanding and dues to such third party and/or to the Lender as the Lender may direct. Any cost in this behalf, whether on account of such sale, assignment or transfer or enforcement of rights and recovery of outstanding and dues shall be to the account of the Borrower.

In case of assignment by the Lender to any third party (Assignee) the Borrower acknowledges to repay the amount outstanding in terms of the agreement, to the assignee.

b. The Borrower and/or the Guarantor(s) hereby accepts and confirms that it has no objection to the Lender administering the Loan thro' third Parties. The Borrower and/or the Guarantor(s) confirm that the Lender may, either partly or in full delegate such of those activities to any third party as it may think fit in the circumstances. Such delegation of work, would include the right and authority to collect the outstanding on behalf of the Lender, the dues and unpaid installments and other amount due under the Agreement and to perform and execute all lawful acts, deeds and matters and things connected

therewith and incidental thereto including sending notices to the Borrower and/ or the Guarantor(s), receiving cash against issue of the receipt, cheques and drafts.

C. For the purpose aforesaid as for any other purpose at the sole discretion of the Lender, the Lender shall be entitled to disclose to the third party the details of the Borrower and/or the Guarantor(s), the Loan, the outstanding amount and other information for effectively discharging the work assigned to the third Party and the Borrower and the guarantor(s) hereby consents to such disclosure by the Lender.

**14. Compliance with regulations**

The Borrower agrees to comply, with all applicable laws and regulations from time to time in force, which may be applicable and the Borrower agrees to indemnify the Lender in respect of any loss, claim or expense to the Lender as a result of non-compliance with any such laws and regulations. The Lender hereby agrees to give notice to the Borrower in case of any change in the terms and conditions of the Loan.

**15. Disclaimer**

This Agreement has been entered into between the Lender and the Borrower based on the express desire and request of the Borrower to purchase the Vehicle out of the proceeds of the Loan from the Lender. It is specifically agreed and understood between the Parties hereto that details of the Vehicle, specifications and description of the Vehicle are within the Knowledge of the Borrower and the Lender is not liable to the Borrower in any manner whatsoever for the quality, condition, fitness, performance of the vehicle and for any liability, claim, loss or expenses of any kind caused directly or indirectly to the vehicle in relation to any repairs and maintenance thereto.

**16. Waiver**

No delay in exercising, or omission to exercise any right, power or remedy accruing to the Lender upon any default under this agreement or any other agreement or document or writing shall impair any such right, power or remedy shall be constructed to be a waiver thereof nor shall any acquiescence of any default or the action or inaction of the Lender in respect of any default, shall affect or impair any right, power or remedy of the Lender in respect of any other default. No waiver by the Lender shall be effective unless it is in writing and accepted by this Lender.

**17. Severability**

If any provision of the agreement hereof shall be illegal or unenforceable for any reason or amendment of statutory laws, the legality and enforceability of the remainder of the provisions of the agreement shall not be affected or impaired thereby. Any invalid or unenforceable provision of this agreement shall be replaced with a provision, which is valid and enforceable and most nearly reflecting the original intent of the unenforceable provision as may be necessary to make it valid.

## **18. Governing Law and Jurisdiction**

### **Arbitration and Dispute Settlement**

- a) All disputes, differences and/or claims, arising out of this Agreement, whether during its subsistence or thereafter, shall be settled by arbitration in accordance with the provisions of the Arbitration and Conciliation Act, 1996 or any other statutory modification or re-enactment for the time being in force and shall be conducted by a sole arbitrator to be appointed by the Lender . The applicable law shall be Indian laws. In the event of incapacity or resignation or death of the sole arbitrator so appointed, the Lender shall be entitled to appoint another arbitrator in place of the earlier arbitrator, and the proceedings shall continue from the stage at which the predecessor had left.
- b) The award given by the arbitrator shall be final and binding on the Parties to this Agreement. The cost of the Arbitration shall be borne with by the Party/ies, in accordance with the Award passed by the Arbitrator.
- c) The venue of Arbitration shall be as specified in Schedule 2 hereto and the proceedings shall be conducted in English language.

Subject to the Arbitration Clause mentioned above, this Agreement shall be governed and construed in accordance with the substantive laws of India and the Parties hereto submit to the exclusive jurisdiction of the Courts, situate at the place as specified in schedule 2 hereto.

## **19. Disclosure of Information**

- a) The Borrower and Guarantor(s) accept, confirm and consent for the disclosure and sharing by the Lender of all or any information and data relating to the Borrower, the facilities, any other transactions that the Borrower has with the Lender, the Borrower's account, and the agreements and documents related to the facilities and transactions, including but not limited to information relating to default, if any, committed by the Borrower, in the discharge of the Borrower's obligations in relation to the facilities or other transactions, as the Lender may deem appropriate and necessary to disclose and furnish, to the Reserve Bank of India ("RBI") and/or to the Credit Information Companies and/or to any other agency or body as authorized in this behalf by RBI, to other banks and lenders including assignees and potential assignees, to its professional advisers and consultants and to its service providers instructed by it in relation to the Facilities, and/or as required under law or any applicable regulation, or at the order of a court of law,

or at the request or order of any statutory, regulatory or supervisory authority with whom it customarily complies.

- b) The Borrower undertakes and covenants that it shall provide all information, including information regarding other credit facilities enjoyed by the Borrower, as and when required by the Lender. The Borrower declares that the information furnished to the Lender from time to time is and shall be true and correct.
- c) The Borrower and/or the Guarantor(s) hereby further agrees that in case the Borrower and/or Guarantor(s) fails to pay the Lender's dues or commits default in the repayment of the loan installment(s) or interest thereon on due date(s), or the account of the Borrower and/or the Guarantor(s) becomes Non-Performing Assets as per the Reserve Bank of India's norms, the Lender will be at liberty to disclose or publish in print and / or electronic media the photograph(s), name(s) and address(es) of the Borrower and/or the Guarantor(s) as willful defaulter along with the details of outstanding dues payable by such Borrower and/or the Guarantor(s), to the Lender.
- d) The Borrower and/or the Guarantor(s):
  - i. accepts that the RBI or the Credit Information Companies and or any other agency so authorized, or any statutory, regulatory or supervisory authority or other lenders / potential lenders, may use, process and disseminate the said information and data disclosed by the Lender in such manner as deemed fit by them in any particular circumstances; and
  - ii. shall not hold the Lender responsible or liable in this regard.

The Borrower and/or the Guarantor(s) authorize the Lender to disclose, from time to time any information relating to the Loans to any Parent / subsidiary / affiliates / associate entity of the Lender, and to third parties engaged by the Lender, for the purpose of marketing of services and products and to its investors.

**20. INDEMNITY:**

The Borrower does hereby indemnify and agree to keep indemnified Lender from time to time and at all times hereafter against all claims, costs, losses and expenses that may be incurred by Lender by reason of any act or default on the part of the Borrower in respect of the said credit facilities and/or the said hypothecated assets and/or any of the terms herein.

The contents of the aforesaid Agreement were read out, explained and interpreted to the Borrower and the Guarantor in the language understood by them after all the information required to be filled in the agreement, was filled.

The Borrower and the Guarantor(s) have read the entire Agreement, constituting the above clauses including the Loan details and the terms of repayment, the fees and charges payable as clearly enumerated in the schedule 1 & 2 to this Agreement. The Borrower and the Guarantor(s) further confirm that the entire Agreement is filled in their presence and that the contents provided herein is explained in the language understood by the Borrower and the Guarantor(s). The Borrower and the Guarantor(s) further confirm having executed the Agreement, received a copy of the same and agree to remit the dues in terms of the Schedules hereunder.

FOR SHRIRAM CITY UNION FINANCE LIMITED	BORROWER	GUARANTOR
Authorized Signatory	Signature	Signature

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**SCHEDULE 1**

Loan Agreement No.	:	
Place & Date	:	
Name of the Borrower	:	
Address	:	
Name(s) of the Guarantor(s)	:	
Address	:	
Name of the Lender	:	Shriram City Union Finance Limited
Address of the Lender	:	
Vehicle	:	_____
Stamp Charges	:	Rs. _____
Processing fees (including GST @ 18%)	:	_____ : _____ Rs.
Loan Amount	:	Rs. _____
Less Advance EMI	:	Rs. _____
Net Loan Amount	:	Rs. _____
Add: Interest	:	Rs. _____
Add: Insurance amount for ___ Yr	:	Rs. _____
	:	.....
Total	:	Rs. _____

**REPAYMENT DETAILS**

The loan is repayable in \_\_\_\_\_ monthly installments of Rs. \_\_\_\_\_ each.

First \_\_\_\_\_ EMI amounting to Rs. \_\_\_\_\_ is payable on \_\_\_\_\_

The next \_\_\_\_\_ installments of Rs. \_\_\_\_\_ per month is payable on the \_\_\_\_\_ of every month, commencing from \_\_\_\_\_ to \_\_\_\_\_.

**SCHEDULE 2**

- Effective Rate of interest : \_\_\_\_\_ % p.a
- **Overdue interest for delayed remittance of installments @36% p.a on the installment amount in arrears from time to time**
- Bank charges : Rs.500/ per instance of cheque bounce
- Collection charges Rs.250/ per visit to the Borrower / Guarantor's place
- Swap charges: Rs.500/ per swap
- Prepayment charges @ 4% on the Principal outstanding
- Postal charges: Rs.50/ per dispatch by post / courier or actual whichever is higher
- All charges are payable together with applicable GST @ 18%
- Venue of Arbitration
- Jurisdiction of courts

1. **Witness**  
**Signature** :

Name :  
Address :

2. **Witness**  
**Signature** :

Name :  
Address :

Lender

Borrower

Guarantor