

ARTICLE 1

DEFINITIONS

1.1 Unless the context otherwise requires:

(a) The terms "first schedule", "second schedule", "third schedule" and "fourth schedule" mean the first, second, third and the fourth schedule to the contract.

(b) The term "repayment" means the repayment of the principal amount of Loan, interest thereon, commitment and/or any other charges, premium, fees or other dues payable in terms of the contract to the Lender; and means in particular, amortization provided for in Article 2.7 of the contract.

(c) The term "prepayment" means and includes the pre-closure payment /premature repayment or the part prepayment, as per the terms and conditions laid down by the Lender in that behalf and in force at the time of such payment.

(d) The term "Asset" or "the said Asset" means the Vehicle or Machinery specified in the fourth schedule and which is hypothecated by the Borrower in favour of the Lender by way of security against which the loan has been granted by the Lender to the Borrower.

(e) The expression "rates and interest" means that rate of interest referred to in Article 2.2 of the contract.

(f) The expression "Installment" means the amount of monthly payment specified in the second schedule, necessary to amortize the Loan with interest, over the period of the Loan.

(g) The term "Post Dated Cheques" or "PDCs" means cheques of the amount of the installment drawn by the Borrower in favour of the Lender for the amount of the Installment by carrying the dates to match the due date of each Installment.

1.2 The terms and expressions not 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.

1.3 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 The Lender has sanctioned Loan to the Borrower, of a sum, at the rate of interest (Customer IRR), repayable within the tenure of a sum, as stated in the principal terms.

2.2 Interest

(a) The rate of interest (Customer IRR) as stated in the principal terms, shall be applied on the outstanding principal, calculated at monthly rests; and shall be applied on the unpaid instalment/s from the due date/s till the date/s of payment or realisation thereof.

2.3 Computation of Interest

(a) The rate of interest stipulated in the principal terms shall remain fixed during the term of the Loan facility unless mandated by the Reserve Bank of India or other Regulatory Authorities. In such an event, the Lender shall be entitled to, if the Lender deems fit, to revise the rate of interest in such manner and to such extent with due notice to the Borrower. The Borrower agrees to pay the interest at the revised rate from the date of such revision, notwithstanding anything stated in the first schedule to the contract.

(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 the contract. 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 the contract.

2.5 Mode of Disbursement

All disbursement to be made by the Lender to the Borrower, under or in terms of the contract 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 Repayment of Loan

(a) The repayment of the Loan and the interest thereon shall be made by the Borrower in Installments. The details such as number, due dates and amount in respect of the Installments 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 the contract, the entire Loan amount along with other dues. Further, the computation / fixation of the Installment will be without prejudice to the right of the Lender to re-compute the amount of Installments and interest thereon, including in case it is discovered at any stage that the Installments have been computed wrongly. The Installments shall be payable as per the second schedule.

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

(c) The payment of Installments 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 maybe 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 Installment regularly on due date. It shall entirely be the responsibility of the Borrower to ensure prompt and regular payment of the Installments.

(e) Without prejudice to any other rights and remedies which the Lender may have under the contract and/ or under the prevalent law, in the event of any delay by the Borrower in any payment to the Lender under the contract, the Lender shall be entitled to charge an additional interest as specified in 2.2(b) above in full. The levy of additional interest shall not absolve the Borrower from strict compliance with repayment schedule which forms part of the contract.

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

2.8 Mode of payment of the Installment

(a) Subject to the terms and conditions stipulated hereunder, the repayment, in the case of Cars / Utility Vehicles, shall be by way of Post Dated Cheques/NACH or any other electronically accepted mode. In case of other vehicles, the repayment shall be by way of Post Dated Cheques or by NACH or any other electronically accepted mode or remittance in cash or by Demand Draft to the Lender on the dates specified in the Second Schedule, irrespective of the delivery of the Asset. The Borrower acknowledges that strict compliance of 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 Borrower prior to the presentation of any of the PDCs and insurance premium cheques issued by them.

(c) If any or more than one or all of the PDCs delivered to the Lender by the Borrower pursuant to Article 2.8(a).

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

(ii) become(s) non encashable due to closure of the Bank Account, then in such an event, the Borrower shall, on receipt of the intimation of such loss, destruction or misplacement or being non encashable due to the reason mentioned 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 the contract and/ or under the prevalent law, the Borrower shall be bound to pay a flat charge as stated in the Schedule IA of the Sanction letter 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 Schedule IA would be levied in respect of such dishonoured PDC. The quantum of charge on the dishonouring of post-dated cheques (both on the first and second presentation) is also stipulated in the said Schedule 1 A. The levy of charge upon dishonouring of the cheque is without prejudice to the rights of the 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 the contract or under law or equity.

(f) When the payments are not made by way of Posted Dated Cheques in the case of Cars/ Utility Vehicles, the Borrower shall be bound to pay a flat charge as stated in the said Schedule IA of the sanction letter 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 bound to pay the charges as stated in the said Schedule IA of the sanction letter subject to revision at the Lender's discretion from time to time.

(h) The Borrower shall be bound to pay the travelling expenses and other charges mentioned in the said Schedule 1 A of the sanction letter.

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

2.9 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, the repayment will be made by the Borrower as per the said alteration and/or re-scheduling from the date on which the instalments are altered or re-scheduled, notwithstanding anything stated in the second schedule. In the event of the Borrower requesting to alter and/or reschedule the instalments, and the Lender also agrees for the same, the Borrower agrees to make the repayment as per the said alteration and/or rescheduling from the date on which the instalments are altered or re-scheduled, together with Rescheduling charges as indicated in the First Schedule to the contract.

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 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. The Borrower also agrees and undertakes to execute such further documents and make such filings as maybe 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 the contract or delivery of the Asset(s) whichever is earlier.

3.3 The charge created by the Borrower in Article 3.1 thereof shall stand as security for the 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 or otherwise in any capacity.

3.4 Subject to the Article 3.3, the Charge created by the Borrower shall continue unless and until the Lender issues a certificate/termination papers discharging the security created herein at the request of the Borrower and shall not affect, impair or discharge the liability of the Borrower by insolvency , arrangement with Creditors, incapacity for any reasons, 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 The Borrower has also executed a promissory note by way of security for the amount of Loan and interest thereon.

3.6 The Lender may require the Borrower to furnish such additional securities, 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 maybe

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 the contract have been paid in full and certified so by the Lender.

ARTICLE 4

APPROPRIATION OF PAYMENTS

4.1 The Lender shall have a right to appropriate any payments due and payable under the contract 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 contract. For the purposes of this clause, the additional interest payable under the first schedule shall be appropriated as follows:
 - a) towards normal interest, at the applicable Customer IRR;
 - b) remaining amount towards overdue interest.
- (vi) Repayment of Installments due and payable under the contract.
- (vii) Repayment of dues under any other contract/s irrespective of the capacity either as Borrower otherwise under the said contract/s.

ARTICLE 5

CONDITIONS FOR DISBURSEMENT

5.1 The Obligation of the Lender to make any disbursements under the contract shall be subject to the conditions that:- (a) The Borrower has created security, the Borrower 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 fulfill his obligation under the contract.

ARTICLE 6

REPRESENTATION OF THE BORROWER

The Borrower represents that:-

6.1 The Borrower has adequate legal capacity to enter into and execute the contract. The Borrower are 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 the contract. Upon execution, the contract shall be a valid legally binding commitment of the Borrower enforceable against them in terms of the contract. The Borrower (in case of being a Company) is duly organized and existing under the laws of India with power to enter into the contract to which they are or they shall be a party.

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

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

6.4 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 7

COVENANTS / UNDERTAKINGS OF THE BORROWER

7.1 The Borrower

(a) shall 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 any liability arising therefrom.

(b) shall 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 to 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.

(c) shall 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.

(d) shall 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;

(e) shall 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.

(f) shall maintain the Asset in good order and condition and will make all necessary repairs, additions and improvements thereto during the pendency of the Loan.

(g) shall not apply for any duplicate Registration book for the Asset, being a vehicle,.

(h) shall inform the Lender, in writing, of any damage to or theft of the Asset, lodging of any claim with the insurance company in respect of the Asset, or of loss, destruction or misplacement of the Registration Book of the Asset or 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 the contract, in law or equity, require the Borrower to take such steps as may be necessary to protect the interests of the Lender.

(i) 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.

(j) shall 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.

(k) shall 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.

(l) shall 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 bound 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.

(m) shall promptly notify any event or circumstances, which might operate as a cause of delay in the completion of the contract

(n) shall duly honour the cheques/ PDCs

(o) 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

(p) authorises and give his consent for the Lender to collect from the dealers / manufacturers as the Lender may deem fit, all information relating to the Asset based on the vehicle tracking systems (VTS) (Global Positioning System (GPS), Telematics etc.,) fitted to the Asset, and the Borrower hereby agrees and acknowledges and undertakes not to dispute or question the same in any manner whatsoever that the authorisation and consent given pursuant to the provisions of this Article shall be irrevocable, conclusive and binding upon Borrower, and Borrower hereby agrees not to modify, revoke or rescind the authorisation and consent given herein. The Borrower undertakes to issue necessary authorisation to the manufacturer / dealer of the vehicle to furnish necessary information as to the location of the Asset etc., to the Lender whenever required by the Lender and such authorisation will be irrevocable.

(q) irrevocably and unconditionally agrees, confirms and gives consent for the disclosure by Lender of all or any such information and data relating to the Borrower, as Lender may deem appropriate and necessary to disclose and furnish to consultants and to its service providers instructed by it in relation to the Loan, and/or as required under law or any applicable regulation, 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.

(r) confirms having read and understood the Lender's 'terms and conditions' as available on www.sundaramfinance.in/assets/app_docs/termsandconditions.pdf / mobile app, such 'terms and conditions' as may be amended by Lender from time to time at its sole discretion and shall be made available on the above-mentioned website/ mobile app for the Borrower's view.

ARTICLE 8

USE

8.1 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 it 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.

ARTICLE 9

INSURANCE AND MAINTENANCE

9.1 In order to safeguard the security for the Loan, the Borrower shall 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 Commotion, floods and such other liability to which the asset is normally exposed and adequate 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 till the Lender discharges the security 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.

9.2 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.

9.3 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 and the Borrower undertakes to reimburse the amount paid by the Lender in this regard immediately on receipt of demand. 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.

9.4 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.

9.5 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 10

EVENTS OF DEFAULT

The following events shall constitute "Events of defaults":-

10.1 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 on which it is due; or

10.2 The Borrower (in case of being an individual) dies or takes any step(s) is taken with a view to him being made insolvent in any jurisdiction or with a view to the appointment of a receiver, trustee or similar officer of any of his/their assets; or

10.3 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/ their assets, particularly on the hypothecated assets); or

10.4 If the Borrower 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

10.5 The Borrower fails to pay any insurance premium for the hypothecated Asset

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

10.7 The Borrower failing 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

10.8 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

10.9 Any instruction being given by the Borrower for stop payment of any PDCs/ECS given as per Article 2.8, for any reason whatsoever; or

10.10 Any circumstance arises which gives reasonable grounds in the opinion of the Lender that it is likely to prejudice or endanger the hypothecated Asset or the interest of the Lender therein or under the contract; or

10.11 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 the contract or any other document submitted by the Borrower being found to be inaccurate or misleading; or

10.12 There exists any other circumstances, which in the sole opinion of the Lender, jeopardizes the Lender's interest; or

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

10.14 Any default being committed by the Borrower in discharging their liabilities under any other agreement entered into between the Lender and the Borrower in any capacity.

ARTICLE 11

LENDER'S RIGHT

11.1 (A) Upon occurrence of any/all of the aforesaid events of default, the Borrower shall be bound 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 contract had run to its full term;
- (c) Additional interest;
- (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 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 Asset without any notice to the Borrower.

11.2 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, 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 bound 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.

11.3 After seizure of the Asset by the Lender or surrender by the Borrower, 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 day's time to settle the contract and to take back the vehicle by the Borrower. The Borrower shall, in the event of failing to settle 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 maybe necessary to facilitate early sale of the Asset.

11.4 Neither the Lender, nor its agents, officers, nominees shall be in any way responsible and liable and the Borrower shall not 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 or seizure of the hypothecated Asset.

11.5 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 its sole discretion, also agree to release the Asset to the Borrower on part payment of the dues on such undertaking / conditions which the Lender may prescribe. The Borrower shall bound to pay all costs of seizure / surrender, the expenses incurred by the Lender after seizure / surrender, including garage rent etc. The Borrower shall be bound to acknowledge delivery of the Asset together with the documents and articles kept in the Asset at the time of seizure or surrender by way of delivery receipts addressed to the Lender which is an acknowledgment that the Borrower has taken delivery of the Asset in the same condition in which it was seized/ surrendered 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.

11.6 The Lender shall, in any/all of the aforesaid Events of default, be entitled to and the Borrower shall be bound to irrevocably authorise the Lender to sell/transfer/assign the Asset either by public auction or by private treaty or otherwise howsoever, for enabling the Lender to sell the asset and to transfer the original Registration Certificate of the asset either in the Lender/Buyer's name, deliver the Form 29 & 30 duly signed with a request to fill the forms suitably and to submit them to the registering authority concerned and appropriate the proceeds in the order and the manner the Lender deems fit towards the following:

- (i) Instalments in Arrears as on the date of sale;
- (ii) Instalments payable for the remaining period;
- (iii) Additional interest;
- (iv) Costs, charges, expenses, insurance premia, statutory dues and other monies;
- (v) Interest on costs, charges, expenses and other monies;
- (vi) Service charges;

(vii) monies payable under any other contracts entered into by the Borrower or otherwise in any capacity.

After appropriating the sale proceeds as mentioned above, the Borrower shall be bound to make good the shortfall, if any. In case there is any surplus, the Lender shall be bound to refund the same to the Borrower, in the event of the Co-Borrower paying all the instalments to the Lender for which the Borrower be bound to. It is the express understanding that the Lender shall be entitled to proceed against the Borrower independent of the Lender enforcing its rights against the security.

11.7 The Borrower shall not be entitled to raise any objection regarding the regularity of the sale and / or action 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, auctioneer or other person or body engaged by the Lender for the said purpose.

11.8 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 the contract. The remedies referred to herein above shall be in addition to and without prejudice to any other remedy available to the Lender either under the contract, or under any other agreement/ undertaking, or in law or equity.

11.9 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 of the rights, powers, or remedies available to the Lender or its officers, agents or nominees.

ARTICLE 12

PREPAYMENT

12.1 There shall not be any prepayment, either in part or in full, within six months from the date of the contract. In case the Borrower desires to exercise the option of making prepayment (pre-closure /part prepayment) of the Loan earlier than as indicated in the Second Schedule therein, the Lender may accept part pre-payment together with pre-payment charges/ permit the Borrower to pre-close the loan on the condition that the Borrower shall be bound to pay the balance principal outstanding, accrued interest as per the terms of the contract together with part prepayment/ pre-closure charges as indicated in the First Schedule to the contract and other outstanding charges, if any. The prepayment shall take effect only when cash has been paid in or cheques have been cleared.

ARTICLE 13

SECURITISATION

13.1 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 out standings and dues to such third party and or to the Lender as the Lender may direct. The Borrower shall be bound 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 over the Borrower to collect the due amounts.

ARTICLE 14

LENDER'S RIGHT TO APPOINT AGENCY

14.1 Without prejudice to its right to perform such activities itself or through its officers or servants, the Lender shall be absolutely entitled and have full powers and authority to appoint one or more third parties of the it's choice and to transfer and delegate to such third parties the right and authority to collect on behalf of itself the instalments / interest / other charges due to the Lender under the contract 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 15

SET-OFF AND LIEN

15.1 Notwithstanding anything contained in the contract, the Lender shall have a lien over the Asset of the Borrower in the Lender's control and the Lender shall have a right to combine all accounts of the Borrower with the Lender and also a right to adjust any amount at credit under any other accounts which the Borrower may be holding with the Lender against any amount payable by the Borrower to the Lender under the contract and the Lender shall be entitled to withhold the termination papers in the accounts which the Borrower may be holding with the Lender till the amounts due to the Lender under the contract is paid in full.

15.2 In the event of Borrower defaulting 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 s account that he may be holding with the Lender with the amount in respect of which the default has been committed under the contract.

ARTICLE 16

NOTICES

16.1 All notices / communications between the parties shall be in writing

16.2 Any change in the communication details (i.e. mailing address, phone number, WhatsApp number, email-id) 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 the contract 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 or electronic mail service or commonly used instant messaging services like WhatsApp etc. The notice, letter, other documents sent by registered post with acknowledgment due or by post shall be deemed to have been received by the addressee 48 hours after it has been despatched and mail service or commonly used instant messaging services like WhatsApp etc. shall be deemed to have been received immediately on sending the same.

16.3 In all correspondence, the contract number should be quoted.

16.4 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 the contract.

ARTICLE 17

PARTIAL INVALIDITY

17.1 If any provision of the terms and conditions 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 the terms and conditions 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 the terms and conditions shall be valid and enforceable to the fullest extent permitted by law. Any invalid or unenforceable provision of the terms and conditions 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 18

LAW, JURISDICTION, ARBITRATION

18.1 (a) All disputes, differences and/or claim, arising out of the terms and conditions/contract, 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 statutory amendments thereof and shall be referred to the sole Arbitration of an Arbitrator nominated by MCCI Arbitration, Mediation and Conciliation Centre (MAMC) run by The Madras Chamber of Commerce and Industry (MCCI), presently having its office at "Karumuttu Centre", I Floor, 634, Anna Salai, Nandanam, Chennai, Tamilnadu – 600 035 or Nani Palkhivala Arbitration Centre (NPAC), presently having its office at New No.22, Karpagambal Nagar, Mylapore, Chennai, Tamilnadu – 600 004 or Madras Arbitration Solutions LLP, an Arbitral institution presently having office at No.6, Francis Joseph Street, Parrys, Chennai, Tamilnadu - 600 001 or nominated by the Managing Director of the Lender. The proceedings shall be governed by the Rules and Regulations of the MAMC / Nani Palkhivala

Arbitration Centre / Madras Arbitration Solutions LLP as the case may be, governing arbitration proceedings. If the sole arbitrator is nominated by the Managing Director of the Lender, such an arbitrator may follow his/her own rules and procedure. The award given by the sole arbitrator shall be final and binding on the parties to the contract. It is a term of the contract that in the event of such an arbitrator to whom the matter has been originally referred, dying or being unable to act for any reason, MAMC or NPAC or Madras Arbitration Solutions LLP or Managing Director of the Lender, as the case may be, shall nominate another person to act as arbitrator. Such a person shall be entitled to proceed with the reference from the stage at which it was left by his/her Predecessor.

(b) The venue and seat of arbitration proceedings shall be 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 any of the parties to the arbitration.

ARTICLE 19

ENTIRE AGREEMENT

19.1 The terms and conditions/contract (including the first, second, third and fourth Schedules) along with the documents executed or to be executed by the Borrower in favour of the Lender pursuant to the terms and conditions/contract shall constitute the entire agreement between the Parties hereto with respect to its subject matter.

ARTICLE 20

DISCLOSURE BY THE LENDER

20.1 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 21

TERM AND TERMINATION

21.1 The contract shall come into effect from the date of the contract and shall terminate only upon the Borrower making full repayment to the Lender of the Loan, interest thereon and all other charges and dues payable by the Borrower, to the Lender under the contract.

ARTICLE 22

MISCELLANEOUS

22.1 Language

English and/or vernacular shall be used in all correspondence and communications between the Parties

22.2 Amendments

No modification or amendment of the terms and conditions/contract except to the revision in interest rate as provided under Article 2 (2.3) and also alteration and rescheduling of the installments as provided under Article 2 (2.9) 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.

22.3 Cumulative Rights

All remedies of Lender under the terms and conditions/contract whether provided herein or conferred by statute, civil law, common law, custom, trade, or usage are cumulative and not alternative and may be enforced successively or concurrently.

22.4 Benefit of the terms and conditions

The terms and conditions/contract 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.

22.5 Any delay in exercising or omission to exercise any right, power or remedy accruing to the Lender under the terms and conditions/contract or any other agreement or document shall not impair any such 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 any acquiescence in any default, affect or impair any right, power or remedy of Lender in respect of any other default.

22.6 The Borrower continues to be bound notwithstanding the assignment of the contract and its benefits by the Borrower to any third party as an assignee with the consent of the Lender.

22.7 Classification as Special Mention Account (SMA) and Non-Performing Asset (NPA)

The Lender may at its discretion or if instructed by Reserve Bank of India, classify the Borrower's account, immediately on default as SMA/NPA as detailed below:

SMA/NPA Sub-categories	Basis for classification – Principal or interest payment or any other amount wholly or partly overdue between
SMA-0	1 to 30 days
SMA-1	31 – 60 days
SMA-2	61 – 90 days
NPA	An account will be classified as NPA, if the Instalment/ Principal or interest applied at specified rests remains overdue for more than 90 calendar days.

#Upgradation of Accounts classified as NPA (In accordance with the guidelines issued by the Reserve Bank of India):

Any account which slips into NPA shall be upgraded out of NPA status only if all the arrears of instalments and any other dues as on that date are paid and the account updated.

Illustration:

If the monthly instalment due dates of a loan account falls on April 05, 2021, May 05, 2021, June 05, 2021, July 05, 2021 and so on, then the SMA/ NPA classification for the respective due amount will be done upon running day end processes. The indicative SMA/ NPA classification of the amount falling due on April 05, 2021 shall be as follows:

Monthly Due Date	Payment Status	Days Overdue	Upon Running day end process on	SMA/ NPA Classification
April, 05, 2021	Amount due on 05-Apr-2021 not paid in full	Upto 30 days	April 05, 2021	SMA-0
	Amount due on 05-Apr-2021 still not paid in full and the subsequent due amount also not paid	More than 30 days and upto 60 days	May 05, 2021	SMA-1
	Amount due on 05-Apr-2021 still not paid in full and the subsequent due amount also not paid	More than 60 days and upto 90 days	June 04, 2021	SMA-2
	Amount due on 05-Apr-2021 still not paid in full and the subsequent due amount also not paid	More than 90 days	July 04, 2021	NPA #

ARTICLE 23

ACCEPTANCE

- 23.1 The Borrower declares that he has executed the contract after having understood the entire meaning of all the clauses.
- 23.2 The parties agree that the contract is signed electronically/ digitally and their respective electronic/ digital signature shall bind them equivalent to their handwritten signature.
- 23.3 The contract will become effective when all the parties have signed it.