



## Construction Equipment / Vehicle Loan

### General Terms and Conditions

#### Version October 2020

These General Terms and Conditions are and shall be applicable to the Loan and the Borrower shall be bound by the same, in addition to the *'Terms and Conditions Applicable to The Construction Equipment / Vehicle Loan'* ("**Terms**").

The capitalised terms used herein but not defined herein but defined in the Terms shall have the same meaning as ascribed to them in the Terms.

In case of there being more than one Borrowers (i.e. there being co-borrowers), the reference to the term "Borrower" shall be deemed to be as if it were plural and this document shall be read accordingly as if made and liabilities undertaken by each of them jointly and severally. Reference to the masculine gender includes reference to the feminine and neuter genders and vice versa.

These General Terms shall be read in conjunction with the relevant Application Form(s) and Transaction Documents in relation to the *Construction Equipment / Vehicle Loan*, as the case may be, the terms of which are incorporated herein by reference.

### **1. Definitions and Interpretation**

The following capitalized words shall have the following meanings:

**"Asset(s)"** means construction equipment(s)/ vehicle(s)/Spare Part(s) including body and associated items built upon the chassis and accessories and/or any additional body building/modification works, additional components and engine/parts upgrades under these presents offered or caused to be offered as security/secured in favour of the Bank by the Borrower for the due repayment of the Construction Equipment/Vehicle Loan.

**"Construction Equipment/Vehicle Loan"** means the principal amount of Loan granted by the Bank to the Borrower(s) and shall include dues outstanding thereunder including interests, costs, fee & charges, expenses and all other amounts due.

**"Branch"** means the branch of the Bank situated at the place mentioned in the **Schedule** through which the Construction Equipment/ Vehicle Loan is disbursed and shall include any other branch where the Construction Equipment/Vehicle Loan account is maintained or transferred to any time at the sole discretion of the Bank.

**"City of Registration"** shall mean the location wherein the registrable Assets are registered or to be registered with the local Registering Authority.

**"EMI"** shall mean the amount payable every month on such date/s specified in the **Schedule** for the term of the Construction Equipment/ Vehicle Loan by the Borrower to the Bank to amortize the Construction Equipment/ Vehicle Loan comprising interest and principal, or as the case may be, only principal or interest.

**"EDI"** means the meaning assigned to in sub-clause 6.4 hereof.

**"Interest Rate"** shall mean the interest rate mentioned in **Schedule** payable by the Borrower to the Bank, which the Bank shall compute and apply interest on the Loan, during the subsistence of this Term"

**"MCLR"** shall mean marginal cost of lending rate as determined by the Bank from time to time and announced / notified by the Bank as its marginal cost of lending rate.

**"Interest Reset Date"** shall have the meaning as ascribed to it in the **SCHEDULE-CUM-KEY FACT STATEMENT** hereof.

**"Default Interest Rate"** means the rate as stated in the **Schedule** or as may be amended by the Bank from time to time at which the Bank shall compute and apply interest on all amounts not paid when due for payment or reimbursement by the Borrower to the Bank.



"**Fees & Charges**" shall mean and include all those charges mentioned under the heading 'Fees & Charges' in the **Schedule** as also those charges advised by the Bank from time to time to the Borrower.

"**Loan**" shall refer to Construction Equipment/ Vehicle Loan.

"**Parties**" means the Bank and the Borrower referred to collectively.

"**Prepayment**" means premature repayment of the Construction Equipment/ Vehicle Loan by the Borrower ahead of the repayment tenor specified in the **Schedule**

"**Prepayment Charges**" means charges levied by the Bank for prepayment as specified in the **Schedule**

"**Purpose of Construction Equipment/Vehicle Loan**" means that the Construction Equipment/ Vehicle Loan has been availed of by the Borrower for the purpose as stated in the **Schedule**.

"**Registering Authority**" shall refer to such statutory authorities with whom the registrable Asset(s) is/are **required** to be registered or is required to be licensed and shall include amongst others the local Road Transport Officers' office.

"**Repayment**" means the repayment of the principal amount of Loan, interest thereon and/or any charges, premiums, expenses, Fees & Charges or other dues payable by the Borrower in accordance with this Term.

"**Schedule**" means the **SCHEDULE-CUM-KEY FACT STATEMENT** executed by the Borrower to these Terms.

Any reference to any enactment or statutory provision is a reference to it as it may have been, or may from time to time, be amended, modified, consolidated or re-enacted.

It is at the Borrower's request, representation, warranties, covenants and undertakings as contained herein and in the application for Construction Equipment/ Vehicle Loan agreed to lend to the Borrower and the Borrower has agreed to borrow from the Bank, the Construction Equipment/ Vehicle Loan for purchasing the said Assets for operational needs in the ordinary course of business basis Terms and Schedule.

The relationship between the Bank and the Borrower, as lender and Borrower shall commence from the date of acceptance of these Terms by the Borrower and shall subsist until all monies due and payable by the Borrower to the Bank shall have been fully paid and received by the Bank.

## **2. Mode of Disbursement**

2.1 The Bank shall disburse the Construction Equipment/ Vehicle Loan in the manner given in the **Schedule**. The Bank shall at its sole and absolute discretion credit the Construction Equipment/ Vehicle Loan to a designated bank account, details provided in the Schedule, in the name of the Borrower to be held with the Bank itself or such bank to whom Electronic Debit Instructions are given as specified in Clause 6.4 hereinafter ("Construction Equipment/ Vehicle Loan Account"). In the alternative, the Bank may, at the request of the Borrower, disburse the loan by issuing Pay Order/Demand Draft drawn in favour of the Manufacturer/Dealer/Body Builder of the Asset. The Borrower agrees and acknowledges that the receipt issued by the Manufacturer/Dealer/Body Builder shall be deemed to be issued by the Borrower and shall be an effectual receipt and discharged by the Borrower in favour of the Bank. Disbursement of Construction Equipment/ Vehicle Loan as above by the Bank shall be construed as deemed drawdown under this Term, notwithstanding any dispute between the Borrower and the Bank or the Dealer or Manufacturer or Body Builder of the Asset.

2.2 In consideration of the Bank agreeing to act in accordance with aforesaid mode of disbursement the Borrower hereby indemnifies and holds the Bank harmless from and against any and all loss, damage or other consequences which may arise or result from the Bank, making disbursement of Construction Equipment/ Vehicle/Spare part(s) as per the modes of disbursement as set out in above clause or performing any service to the Borrower thereunder and shall reimburse the Bank upon demand for any payment, loss and damage which the Bank may make, suffer or sustain by reason or on account thereof and shall upon request appear and defend at the Borrower's own cost and expense any action which may be brought against the Bank in connection therewith

2.3 In the event of Loan amount or any part/parts thereof is disbursed to a Dealers/entity(ies) (the "Vendors") other than the Borrower(s), the same has been done at the instructions of Borrower(s) and the Bank is neither responsible nor liable for genuineness or authenticity of the Vendors or whether the intended purpose for which the amount of



said loan has been instructed to be disbursed by the Borrower will be fulfilled or not or that the quality, type, manner or period of delivery of the goods, services, facilities, etc for which the loan amount has been paid, will be as expected by and/or promised by the Vendors to the Borrower. Any deductions made by the Vendors from the amount paid shall be on the sole account of the Borrower.

### **3. Interests, Fees and Costs**

3.1 The interest on the Construction Equipment/ Vehicle Loan shall accrue from the date of the Bank's disbursement of the Construction Equipment/ Vehicle Loan to the Borrower and/or the Vendor(s) and shall be computed:

- a) at such periodicity as stated in the Schedule;
- b) taking the basis of 360 days or 365 days as the case may be
- c) at the Interest Rate as stated in the Schedule or as may be prescribed by the Bank from time to time;
- d) at the Penal Interest Rate as stated in the schedule or as may be prescribed by the Bank from time to time; and
- e) on the actual amount outstanding on the last day of the preceding period.
- f) Notwithstanding anything to the contrary herein contained;
  - (i) The Bank shall be entitled to reset the Margin on the Interest Reset Date and the MCLR on first day of every subsequent month/quarter/ half year/ annual or at such frequency as the Bank deems fit.  
For the purpose of MCLR reset:-
    - a) Month shall mean 1<sup>st</sup> day of each calendar month;
    - b) Quarter shall mean April 1, July 1, October 1 and January 1 of every year;
    - c) Half year shall mean April 1 and October 1 of every year; and
    - d) Annual shall mean April 1 of every year;

(ii) The Bank shall also have the right to reset the Margin consequent to any change in the MCLR. Further, the Bank shall have the right to reset the MCLR as well as the Margin upon occurrence of any of the following:

- a) RBI revising the standard provisioning requirements for banking assets; or
- b) RBI enhancing the risk weightage norms for banking assets; or
- c) RBI changing the norms for classification of banking assets; or
- d) downward revision in the credit rating of the Borrower and/or third-party security provider by a Credit Rating Agency and /or internal ratings;
- e) Occurrence of an Event of Default or Potential Event of Default; or
- f) Bank's internal reviews and/or changes in externally prevailing directives of regulatory authorities; or
- g) RBI changing the methodology for computation of base rate/MCLR from time to time.

(iii) Upon reset of the Margin and MCLR in accordance with this Clause, the Bank without, assigning any reason for such revision and such revised rates shall thereafter apply to the Borrower such reset and revised Interest Rate and the Borrower shall, pay to the Bank interest on the Facilities at the revised Interest Rate.

(iv) If any interest remains unpaid on the Due Date, then the unpaid interest shall be compounded monthly.

Subject to revision from time to time at the sole discretion of Bank and/or pursuant to RBI guidelines.

The Interest on the Loan will begin to accrue in favour of the Lender on and from the first date of disbursement.

3.2 The Borrower agrees and acknowledges that the Borrower shall bear Processing Charges, Fees & Charges and other charges including but not limited to interest tax, stamp duty, costs and such other charges as mentioned in the Schedule, which the Borrower shall reimburse to the Bank in addition to the Construction Equipment/ Vehicle Loan and the interest accrued thereon. The Borrower agrees that the Bank shall at its sole discretion, have the right to collect the Processing Charges stated in the Schedule upfront at the time of disbursement of the Loan.

3.3 The Borrower shall also bear and reimburse separately to the Bank the following:

- a) Interest tax and other levied as maybe applicable from time to time

- b) The cost of Stamp Duty on this Term and any other documents executed pursuant hereto,
- c) the tax, toll, duties levies, cess or any other tax as may be imposed by the Central Government, State Government, judicial, quasi-judicial or any municipal authorities which may be chargeable on the Assets;
- d) the costs and expenses involved or incurred by the Bank in the recovery of the Construction Equipment Loan, repossession charges, valuation charges, Asset verification charges, NOC issuance charges if the Construction Equipment Loan or any part thereof, when due is not paid by the Borrower; and
- e) all costs and expenses (including legal costs) on a full indemnity basis incurred and/or to be incurred by the Lender for investigation/inspection of Assets offered as security and for the preparation, execution, preservation, performance, enforcement and realization of the outstanding Loan amount, security documents and other documents and other instruments creating and/or evidencing the creation of any security for the Loan as also any other instruments required in connection with the Loan.

It is however understood by and between the Borrower and the Lender that this Clause shall not entitle the Borrower to delay the timely repayment or interest and other charges as stipulated under Clause 3.1 and 3.2 of this Agreement.

3.4 In the event the Borrower holds a Construction Equipment/ Vehicle Loan Account with the Bank, the Bank shall be entitled to debit all other amounts due and payable by the Borrower under these Terms (including but not limited to interest tax, fees, charges, stamp duty, costs, Fees & Charges and such other charges specified in the Schedule) to the Borrower's Construction Equipment/ Vehicle Loan Account, unless separately reimbursed to the Bank by the Borrower.

3.5 All amounts in default for payment (i.e. not paid by the Borrower when due to the Bank) including arrears of EMI, interests, fees, charges, taxes and costs will attract interest at the Penal Interest Rate specified in the Schedule.

3.6 If the Bank has to arrange to collect the amounts payable by the Borrower every month from the Borrower then Collection Charges of an amount specified in Schedule for every such installment collected shall be levied to the Borrower by the Bank.

3.7 If the Borrower wishes to replace a post-dated cheque with another then the Borrower will be required to pay Swap Charges of an amount specified in Schedule for every such replacement.

3.8 In the event the Borrower fails to comply with any of the conditions in these Terms, including but not limited to creation and perfection of the Security, the Bank reserves the right to charge Additional Interest at such rate as specified in schedule.

3.9 The Borrower is aware that the Schedule hereto is not exhaustive and the charges are the rates currently prevalent and can be changed and/or fresh/new charges can be added to, anytime and from time to time, at the sole and absolute discretion of the Bank and such charges shall be binding on the Borrower.

#### **4. Conditions Precedent**

4.1 Condition Precedent to sanction of the Loan: The Bank may, at its sole discretion, not disburse any amount under the Construction Equipment/ Vehicle Loan unless the following conditions are compiled by the borrower to the satisfaction of the Bank.

(a) The Borrower procures and furnishes a duly filled Application Form to the Bank;

(b) The Borrower submits to the satisfaction of the Bank, proof of ownership of the property, constitutional documents, audited financial reports, list of vehicles, and/or any other documents which may be called for or required by the Bank for sanction of the Loan

4.2 **Condition Precedent to disbursement of the Loan:** The Bank may, at its sole discretion, not disburse any amount under the Construction Equipment/ Vehicle Loan unless the following conditions are compiled by the borrower to the satisfaction of the Bank.

(a) (b) The Borrower procures in favour of the Bank, a Guarantee as maybe required by the Bank at its sole discretion, of such person such as may be approved by the Bank, for guaranteeing repayment of the Construction Equipment/ Vehicle Loan with interest and all other amounts payable in respect thereof;



- (c) The Borrower submits to the satisfaction of the Bank, proof registration in case of registrable Assets, insurance policies evidencing valid insurance cover, authority letter of the Borrower {based on the nature of the Borrower};
- (d) The Borrower submits to the Bank, Dated Cheques (DCs) towards repayment installments, insurance renewal of the Vehicle(s);
- (e) The Borrower submits to the Bank, pro-forma invoice of the proposed Assets on the Manufacturer/Dealer's/ Body Builder's letterhead;
- (f) The Borrower to submit margin money cheques, (if applicable) if the payment is made by cheque to the Bank or margin money receipt (if applicable) in the event the margin payment is made to the Manufacturer or Dealer;
- (g) The Borrower submits to the Bank, cheques, authorization for debit for the Processing Charges, Fees & Charges as stated in the Schedule; and
- (h) Any other document or writing as the Bank may require at its sole discretion

The Bank may not, having disbursed any amount, disburse any further amount under the Construction Equipment Loan, unless the following conditions are compiled in the sole discretion of the Bank before such further disbursement.

- (a) No event of default as specified in Clause 9 hereinafter shall have occurred.
- (b) The Borrower shall have produced evidence of the utilization of prior disbursements and also in respect of proposed disbursements.
- (c) The Borrower shall have produced his/ her periodic financial statements, and
- (d) The Borrower shall have produced all other documents or writings as required by the Bank at its sole discretion.

4.3 The Borrower further acknowledges and confirms that: the disbursement of the Loan is solely at the discretion of the Bank and may depend on various factors like, drawings beyond the limit specified in the Schedule, honouring cheques issued for other than the purpose, classification of the Borrower(s)'s account as a nonperforming asset or on account of non-compliance with the terms of sanction. The Bank does not have an obligation to meet further requirements of the Borrower (s) on account of growth in business etc. without proper review of credit limit.

## **5. Security for the Construction Equipment/Vehicle Loan**

5.1 In consideration of the Bank having granted or agreed to grant to the Borrower the Construction Equipment/ Vehicle Loan, subject to the terms and conditions mentioned herein, the Borrower hereby hypothecates to and charges in favour of the Bank by way of first and exclusive charge on the Assets(s) for the payment to the Bank of all monies due and payable to the Bank, including the outstanding balance of the Loan, as also the monies due on all Bills of Exchange, promissory notes or other negotiable instruments which the Bank may have discounted or become interested in as also all interest, costs, charges and expenses, all of which shall be construed as 'balance due to the Bank' and agrees to obtain an endorsement to that effect on the Registration Certificate from the concerned Registering Authority. The Borrower agrees and confirms that any additions, improvements or attachments to the hypothecated Assets whether made or carried out by the Borrower or otherwise and whether at the cost of the Borrower or otherwise and whether with or without the approval of the Bank shall be deemed to constitute to be a part of the hypothecated assets and shall be subject to these Terms in the same manner prior to such addition/improvement or attachment. In the event the Asset is treated as 'Motor vehicle' and registrable under the provisions of the Motor Vehicles Act, 1998, the Borrower shall get an endorsement on the Registration Certificate that the Asset(s) are hypothecated.

5.2 The Borrower agrees that the hypothecated Assets shall also be a security for all other monies that may be due and payable by the Borrower to the Bank on any account, whatsoever present and future, including the liability of the Borrower as a surety or co-obliger; and (b) the credit facility(ies) to be granted/ continues to the group companies/associate of the Borrower as declared.

5.3 The Borrower confirms that all the Hypothecated Asset(s) are the absolute property of and at the sole discretion of the Borrower and carries no prior lien and is free from any encumbrances. Provided that if the Asset(s) (to be acquired) has not been delivered to and/ registered in the name of the Borrower at the time of signing of these



presents, the particulars of the Asset(s) shall be informed in writing by the Borrower within two days of such delivery and/or registration, whereupon such writing shall form part of the Schedule and **these Terms hereon**;

5.4 That the Bank is not responsible for delivery of duly endorsed registration certificate and that the Borrower(s) shall not withhold payment of installments on the pretext that registration certificate has not been delivered.

5.5 The Borrower undertakes to further secure the Loan and create such further security and execute such other documents as may be required by the Bank from time to time;

5.6 The Borrower confirms to pay all rents, taxes, outgoings and other charges in respect of the garages and other premises in which the hypothecated assets are stored or may be kept. The Borrower shall also ensure that such garages and other premises are fully ensured to the extent of the full market value thereof against the loss or damage by fire, riot or any such risks as may be determined by the Bank. The Borrower shall assign to the Bank every such policy of insurance and shall pay the Bank all proceeds of any policy received by the Borrower. If any amount is received from the Insurance company under any policy or policies of insurance, the amount so realized shall be utilized at the discretion of the Bank;

5.7 The Borrower shall not encumber or transfer the Hypothecated Asset(s) in any manner whatsoever without prior written consent of the Bank during the tenure of the Loan facility. Any direct or indirect transfer of the Asset(s) would be deemed to be a breach of trust under these Term and necessitate appropriate proceedings against the Borrower.

5.8 The Borrower shall submit or deposit as and when directed or called upon by the Bank, statements or information or any documents regarding the hypothecated Asset(s) in the form and manner as prescribed by the Bank. Such statements or information or details shall be delivered to the Bank within the period or duration specified by the Bank and shall be authenticated by the authorized representative(s) of the Borrower.

5.09 The Borrower hereby irrevocably and unconditionally authorizes the Bank to cancel the booking/indents of the Asset(s) at the absolute discretion of the Bank without any recourse or reference to the Borrower. The Borrower undertakes to issue irrevocable instructions to the Manufacturer to, inter alia refund the dues in the event of cancellation of the booking/indent of the Asset(s) directly to the Bank and undertakes to furnish a confirmation to this effect from the Manufacturer.

5.10 The Borrower has delivered/agrees to deliver to the Bank as and when called upon to do so blank undated cheque(s) to the extent of the Loan. The Borrower agrees and acknowledges that submission of such cheque(s) shall be deemed to an unconditional and irrevocable authority given by the Borrower to the Bank to present the cheque(s) for payment and the Borrower warrants that the cheque(s) will be honoured on the first presentation.

5.11 The Borrower hereby expressly and irrevocably agree, that he/she shall be stopped in law from taking the plea that on the acceptance of these Terms, the exact details of the Asset(s) were not available.

5.12 The charge created by the Borrower in clause 5(1) hereinabove shall stand as security to the repayment and payment by the Borrower to the loan granted or to be granted to the Borrower by the Bank and of all fees, interest, Fees & Charges, costs and expenses incurred or to be incurred by the Bank hereunder and all other monies payable or to become payable by the Borrower to the Bank pursuant to these Terms hereof.

5.13 The charge herein created shall continue unless and until the Bank shall issue a certificate discharging the security created herein and shall not affect impair or discharge the liability of the Borrower by winding up (voluntary or otherwise) or by any merger amalgamation, reconstruction, takeover of the management, dissolution, or nationalization (as the case may be) of the Borrower, and

5.14 The hypothecation shall be deemed to take place immediately on acceptance of these Terms or delivery of the Asset(s) as the case may be whichever is earlier.

## **6. Repayment of the Loan**

6.1 The Construction Equipment/ Vehicle Loan (including the principal, interest thereon, Fees & Charges and any other charges, premiums, fees, taxes, levies or other dues payable by the Borrower to the Bank shall be repayable by the Borrower(s) to the Bank;

(1) at the Branch (or at any branch of Bank or at any other place as may be notified by the Bank);

- (2) Irrespective of whether Asset(s) has been delivered or not;
- (3) by way of EMI as mentioned in the Schedule towards repayment of principal and interest, and
- (4) by separate repayments:
  - (a) Towards repayment of default interests, Fees & Charges, fees, charges, taxes, claims, costs and expenses or
  - (b) Towards repayment of interest tax as may be notified by the Bank to the Borrower

Subject to sub-clauses 7.3 and 7.4 herein, the EMI amount shall be arrived at so as to comprise repayment of principal and payment of interest calculated on the basis of the interest rate, periodicity of compounding, periodicity of repayment, periodicity of effecting credits in the account so as to aim repayment of the entire liability under the Construction Equipment/ Vehicle Loan at the end of its tenor and the Borrower(s) agrees to continue paying EMIs until all amounts due under the Construction Equipment/Vehicle Loan have been repaid in full to the Bank. Notwithstanding the aforesaid, the Bank may at any time, without the provision of any reason therefore, require repayment of the Loan amount together interest, dues and all other charges, Fees & Charges, and all other amounts mentioned in the Schedule forthwith and may appropriate all the amounts available with the Bank towards these amounts and in such case the Borrower) agrees and undertakes to prepay the Loan as mentioned above forthwith

6.2 The Borrower agrees that the copy of the statement of accounts of the Bank duly certified as correct shall be binding on them as sums due and payable in accordance with these Terms. If any amount payable herein falls due on a day which is not a Business day, then such amount shall be paid on a Business day immediately preceding such a day. Business day shall mean a day on which the lending office of the Bank is open for business and excludes Sundays and public holidays as defined under the Negotiable Instruments Act, 1881.

6.3 In case the Borrower does not have an account with the Bank, the Borrower shall provide to the Bank, such number and amount of DCs, drawn in the name of the Bank, as the Bank may intimate to the Borrower while providing the Construction Equipment/ Vehicle Loan. The Borrower agrees that in the event any DCs are lost, stolen, mutilated or destroyed or cannot be encashed due to any other reason whatsoever, the Borrower shall replace such DCs by handing over fresh DCs to the Bank. The unutilized DCs and any other additional cheque(s) received by the Bank in relation to the loan account shall be destroyed by the Bank post expiry of 30 (thirty) days from the date of closure of the loan account. However, if the Borrower, within the aforesaid period of 30 (thirty) days makes a written request to the Bank for the return of the unutilized PDCs/ cheques, the Bank shall cancel and return the said DCs/ cheques to the Borrower.

6.4 The Borrower may deliver Electronic Debit Instructions ("EDI") to the Bank itself or to such other bank in which the Borrower(s) maintains his account, with respect to the Construction Equipment/Vehicle Loan Account (which are popularly known as "Standing Instructions") for payment of all EMIs that are payable by the Borrower to the Bank in accordance with these Terms and the Schedule hereto. For such purpose, the Borrower shall sign and execute all documents/applications and provide all such information/ documents as maybe required for effecting EDI by the Bank or such other bank in which the Borrower maintains his account.

6.5 No notice, reminder or intimation will be given to the Borrower regarding his/her obligation to pay the EMI regularly on each due date. It shall entirely be his/her responsibility to ensure prompt and timely payment to the Bank. Any delay or default in payment of any EMI shall make the Borrower liable to pay to the Bank, interest at the Default Interest Rate (for the period of such default) as mentioned in the Schedule, besides constituting a default, thereby making all sums under these Terms due and payable to the Bank forthwith.

6.6 All repayments of principal and payment of interest and all other amounts by way of EMI or otherwise shall be given effect to (only upon realization of Cheques/Demand Drafts) in accordance with the method of effecting payment as stated in the Schedule or as adopted by the Bank, from time to time.

EMIs maybe either fixed or floating EMIs, the indicated EMI shall be the EMI for the first repayment.

6.7 The Borrower shall not be allowed to prepay the Construction Equipment/Vehicle Loan and the interest thereon unless the Borrower has paid first 6 (six) monthly installments fully. Pre-payment in part or full may be allowed by the Bank at any time after the payment of the first 6(six) monthly installments, by giving the Bank written notice of 30 days. In such event the Borrower shall, in addition to the principal amount of the Construction Equipment/Vehicle Loan then outstanding and other costs, expenses and charges, also be liable to pay to the Bank

on the expiry of the said 30 day period an amount equal to the interest thereon till the date of payment and additional charges as mentioned in the schedule and the principal outstanding as on the date of prepayment. The Borrower shall also pay such prepayment charges as may be indicated by the Bank. Part prepayment of the Loan may be allowed by the Bank at its sole discretion subject to payment of prepayment charges as stipulated in the Schedule or such other amounts as may be stipulated by the Bank. In the event the part Pre-payment is allowed by the Bank, the Repayment Schedule shall be amended/modified by the Bank and the Borrower shall repay the loan as per the revised Repayment Schedule. *(Not applicable for New/Used Construction Equipment Loans)*

## **7. Covenants for the Asset(s)**

7.1 The Borrower and the Bank confirm that the Asset(s) price has been computed taking into regard all applicable taxes, levies, duties as on the date of execution of these presents. The Borrower agrees that the installments/EMI shall be increased by any fresh imposition or increase in Asset(s) price, taxes, duties, levies, and charges during the subsistence of these presents or that are or may be levied on the installments or the transactions hereunder or are or may become payable by the Bank by virtue of entering into these presents. In the event of such taxes, duties, levies and charges increasing during the period of placing of the order for the Asset(s) and its acceptance and eventual delivery to the Borrower, such increase shall be borne by the Borrower

7.2 If the price of the Asset(s) (in case of acquiring a new Asset) is revised upwards, after the date of execution of these presents, then and in that event, the Borrower shall pay all of the amount (in addition to the amount paid or to be paid by him/them along with the loan as the price of the Asset(s)) that may be required for acquiring the Asset(s) at such revised price and the Bank shall not be liable to pay any amount by way of loan or otherwise for such revision of price of the Asset(s).

7.3 Where the loan has been availed for foreclosing an existing loan against any Asset(s) and where the Asset(s) need to be registered with any authority under any law from time being in force, then the Borrower shall within 7 days from disbursement of the Construction Vehicle Loan get the previous charge removed from the Asset(s) certificate and/ or the records of the appropriate registering authority and have the Asset(s) registered with such Registration Authority. In the event such Asset(s) is/are offered as security to the Bank, the registration of the Asset(s) with the relevant authority should be made clearly indicating the fact that such Asset(s) is/are exclusively charged in favour of the Bank. The Borrower shall forthwith deliver a certified copy of Registration certificate (with necessary endorsement, as the case may be) to the Bank.

7.4 If the Borrower fails to pay the amount as mentioned herein above within 7 days revision of such price of the Asset(s) or within such period allowed for this purpose by the Dealer/Manufacturer of the Asset(s) whichever is earlier, then and in that event, the Bank may at its sole discretion and as the agent of the Borrower cancel, annul or rescind the booking of the Asset(s) and collect the refund of the booking price (after such deductions as may be made by the Dealer/Manufacturer of the Asset(s)) for adjusting thereof against any amount that may be due and payable by the Borrower to it in terms hereof. For achieving the aforesaid, the Borrower for valuable consideration received irrevocably authorize the Bank to cancel, annul and rescind any booking of the Asset and to receive any refund of booking price of the Asset(s) from the dealer or manufacturer of such Asset(s).

7.5 The Borrower shall keep the Hypothecated Asset(s) specifically appropriated to the security herein;

7.6 The Borrower shall take consent from the Bank if the Asset(s) is/are proposed to be removed/ taken outside the territorial borders of the state in which such Asset(s) are registered with the Registering Authority.

7.7 The Borrower shall pay all rates, assessments, taxes and other outgoings which are now or hereafter may be assessed, imposed, or payable for the Hypothecated Asset(s) by the Government, Municipal Corporation, Registration Authority or other authority and on demand produce to the Bank every receipt thereof, charges: taxes, assessments or other outgoings.

7.8 The Borrower shall allow inspection of the Hypothecated Asset(s) and all documents relating thereto for verification thereof or making valuation by (a) the Bank or (b) its officers, auctioneers, technical experts, management consultants, valuers or any, other persons authorised for the purpose by the Bank.

7.9 The Borrower shall not sell, lease, encumber, transfer or otherwise dispose of or suffer or allow suffering any alteration of the vehicle or any attachment thereto (including installation of LPG/CNG Cn) or distress to the Hypothecated Asset(s) or any parts thereof or allowing anything that may prejudice or endanger the security herein



without the express consent in writing of the Bank. The Borrower undertakes to get the Registration Certificate endorsed in the name of the Bank.

7.10 If demanded by the Bank, or on the happening of any of the events mentioned below, the Borrower agrees (i) to give immediate actual possession of the Asset(s) to the Bank, its nominees or agents (as the case may be) (ii) to transfer, deliver and endorse all registration, policies, certificates and documents relating to the Hypothecated Asset(s) to the Bank, its nominees or agents (as the case may be); and (iii) do and execute or cause to be done and executed at the costs and expenses of the Borrower all such acts, deeds, assurances, matters, and things as may be required by the Bank for further assuring and confirming the security created herein and the rights, powers and remedies hereby conferred i.e. sign and deliver the necessary forms that may be required to be filed with the Registering Authority or other authorities under the Motor Vehicles Act, 1988 or any other law for the time being in force to record the charge of hypothecation on the Asset(s), created or to be created in favour of the Bank; submit to the Bank a certified true copy of the registration certificate relevant to the vehicle for which the loan has been taken. This registration certificate will be submitted within 60 days of having taken delivery of the vehicle or 150 days from the date of disbursement of the loan, whichever is earlier. In the event the Borrower does not provide for the registration certificate or create a charge on the Hypothecated Asset(s) as provided for in this Agreement, then in such an event the Bank shall be entitled to treat the same as an event of default and recall the Loan at its sole discretion.

7.11 In case of asset being required to install the GPS device as per government stipulations, the Borrower expressly recognizes and accepts that the Bank shall have right of monitor the movement of the vehicle and to retrieve the required data from the GPS application and to perform such activities itself or through its officer, be absolutely entitled and have full powers and authority to appoint one or more third parties of its choice. This will in no way constitute an infringement into the privacy and interference into the functioning of Borrowers business.

## **8. Borrower agrees, accepts and understands that the Bank has the following rights**

The Bank shall:

8.1 In the event it is unwilling to continue the Construction Equipment/ Vehicle Loan on account of regulatory or other reasons, the Bank shall have the sole right at any time during the tenor of this Loan to recall the entire or part of the Construction Equipment/ Vehicle Loan without assigning any reason thereof;

8.2 Have the sole right to amend at anytime and from time to time any of the terms & conditions of these Terms including but not limited to revising/rescheduling the repayment terms/amounts of EMI or any other amounts outstanding there under, revision of Interest Rate (including the Default Interest Rate), any other charges or fees, periodicity of compounding of interest, method of effecting credit of the repayments, without assigning any reason and notify such change/revision/amendment to the Borrower. The Borrower will be bound by such change/revision and the Borrower agrees that such revision/change/amendment shall become applicable from date of such revision in the records of the Bank;

8.3 Have the right to inspect books of accounts and other records maintained by the Borrower;

8.4 at the risk and cost of the Borrower engage one or more person(s) to collect the Borrower's outstanding and may furnish to such person(s) such documents, information, facts and figures as the Bank thinks fit and may delegate to such person(s) the right and authority to perform and execute all acts, deeds, matter and things connected therewith or incidental thereto as the Bank thinks fit. If any default is committed by the Borrower, the Bank and the persons authorized by the Bank may approach the Borrower's employer and/ or other person(s) and inform him/her of these Terms and/ or the default and/ or other matters and receive from him/ her any amount payable by him/her to the Borrower;

8.5 be entitled at its absolute discretion and in the manner it deems fit to disclose/publish any information about the Borrower, its Directors/Partners/Members of the governing body, his/her account relationship with the Bank and/ or any default committed by him/ her in repayment of amounts/payment of interest (whether such information is provided by the Borrower or obtained by the Bank itself and whether inform or repayment conduct, rating or defaults) to its head office, other branch offices, affiliated entities, Reserve Bank of India, other Banks, institutions, CIBIL (Credit Information Bureau (India) Ltd), its auditors, any refinancing agency and such third parties including rating agencies as the Bank may, in its sole and exclusive discretion, deem fit and proper. The Bank shall also be entitled to seek and receive any information as it deems fit in connection with the Construction Equipment/ Vehicle Loan and/ or the Borrower from any third party, and

8.6 have the right to store financial data of the Borrower. This includes data which is not kept within accounts of the Bank.

8.7 have a right to apply and/or appropriate and/or set-off any credit balance of the Borrower or any monies/assets (including but not limited to property, assets, securities, shares, stocks, and the like) belonging to the Borrower coming in the hands of the Bank towards the repayment of Construction Equipment/ Vehicle Loan upon occurrence of Event of Default. However, the Bank shall not be obliged to exercise any right given to it herein.

8.8 The Borrower acknowledge that certain services may be outsourced by the Bank to various service provider/ third parties and in pursuance of which Borrower information may be disclosed by the Bank to such service provider/ third parties. The Borrower hereby gives its consent to disclosure by the Bank to such service provider/ third parties confidential information relating to Borrower and disclaims any liability that may arise by such disclosure by the Bank.

8.9 be entitled at its absolute discretion and in the manner it deems fit and all its group companies and their agents to exchange, share or part with all information relating to Borrower's Loan details and repayment history to other Bank's group companies, banks, financial institution, credit bureaus, agencies, statutory bodies etc. as may be required or as they may deem fit and the Borrower shall not hold Bank (or any of its group companies or its/ their agents) liable for use/sharing of this information.

8.10 The Bank shall not in any way be liable/ responsible, notwithstanding anything to the contrary under any applicable laws, for any loss, deterioration of or damage to the Hypothecated Asset(s) on any account whatsoever, while the same are in possession of the Bank or by reason of exercise or non-exercise of any rights and remedies available to the Bank as aforesaid.

8.11 The Borrower shall indemnify the Bank and keep indemnified the Bank, save and harmless of any demand in respect of any actions, claims, costs, Fees & Charges, damages, demands, expenses, losses and liabilities made against, suffered or incurred by the Bank arising directly or indirectly from or in connection with -(i) any failure by the Borrower(s) to comply with the provisions of these Terms and/or (ii) any liability including third party liabilities that may arise out of the possession, operation and use of the Asset(s) by the Borrower or by its/their employees or by its agents or by other persons whosoever whether or not authorized by the Borrower or use of the Asset(s) and incidental to that purpose and /or (iii) any claims, losses, demands, actions, costs, expenses and liabilities incurred or suffered by the Bank by reason of the representation or warranties given by the Borrower being false or untrue in material respects and/or (iv) any claims losses, demands, actions, costs, expenses and liabilities incurred or suffered by the Bank by reason of the Hypothecated Assets(s) not being free from encumbrance and/or any previous charge (v) any claims, losses, demands, actions, costs, expenses and liabilities incurred or suffered by the Bank by reason of non-payment or insufficient payment of stamp duty by the Borrower of these presents and the documents/any other writings which may be executed pursuant to and/or in relation to these presents.

## **9. Borrower's Representation, Warranties, Covenants and Undertakings**

The Borrower hereby represents/warrants to/covenants/undertakes that –

9.1 The information provided in the application for the Construction Equipment/Vehicle Loan and as contained herein is complete and true in all respects.

9.2 There are no threatened or pending claims, demands, litigation or liquidation proceedings against the Borrower;

9.3 The Borrower declare that they are not prohibited by law from availing of the Loan.

9.4 The Borrower shall inform the Bank the chassis number/engine number/invoice number/serial/machine number of the Asset(s) after receipt/installation of the same and authorizes the Bank to fill up the said chassis number/engine number/invoice number/serial/machine number of the Asset(s) after receipt of such information and the Borrower shall not challenge the incorporation of such engine number/invoice number/serial/machine number of the Asset(s) or any other agreed modification on any grounds whatsoever. The Borrower also agreed that such modification and/or insertion of the Asset(s) details as provided shall not invalidate these Terms. No encumbrance of any nature nor any lien extends over the Assets(s) hypothecated herein.

9.5 The Borrower has obtained and done all that is necessary to give full force and effect to all authorization, approvals, consents licences and permissions required in or by the laws of India in relation to these Terms, other



related documents and the Hypothecated Assets(s) and the documents executed in pursuance hereof when accepted/executed and delivered, will constitute valid and binding obligations of the Borrower.

9.6 The loan amount may be disbursed by the Bank directly to the dealer/manufacturer in the case of purchase of a new Asset(s) and such disbursement shall be deemed to be disbursement to the Borrower. In case of purchase of old Asset(s), the loan amount may be disbursed by the Bank to the owner/seller of the asset or to the Dealer and such disbursement shall be deemed to be disbursement to the Borrower.

9.7 The Borrower shall utilize the entire Loan for the purchase/acquisition of the Asset(s) and for paying insurance premium as mentioned above, if any, as indicated by him in his loan application and for no other purpose whatsoever.

9.8 The Borrower expressly recognizes and accepts that the Bank shall, without prejudice to its right to perform such activities itself or through its officer or servants, be absolutely entitled and have full powers and authority to appoint one or more third parties of the Bank's choice and to transfer and delegate to such third parties the right and authority to collect on behalf of the Bank all unpaid installments and to perform 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 receiving the installments in cash/draft/cheque whether in the name of the Bank or in its own name from the Borrower, entering into a compromise with the Borrower, giving a valid receipt and granting effectual discharge to the Borrower and generally performing all lawful acts as the third parties may consider appropriate for the purposes.

9.9 The Borrower agrees hereby to pay the installments and other dues etc. to the Bank for the finance of the aforesaid Asset(s) irrespective of whether or not the Asset(s) is in use by the Borrower and/or even if the Asset(s) is not in use due to damage and repair and/or Body being built.

9.10 In case the loan is taken jointly by more than one Borrower, their liability shall be joint and several, even if the Asset(s) is/are registered in the name of one of the Borrowers only.

9.11 The Borrower in case of (i) an individual/proprietor/partner is a major and is of sound mind (where the Borrower is/ are individual(s)) (ii) in case it is a Corporate is a body corporate duly constituted and incorporated under the laws of India (where the Borrower is/are a company incorporated under the Companies Act, 1956 or any other body corporate) and have the necessary corporate approvals to undertake the obligations under these Terms as well as nothing conflicts with the charter documents of the Borrower from undertaking these obligations; (iv) or is a partnership firm within the meaning of the Indian Partnership Act, 1932, comprising the persons mentioned in the Schedule as partners and that none of the partners are Hindu Undivided Family (HUF) as defined under Hindu Law and further undertakes not to induct HUF as a partner in the Firm (where the Borrower is/are a partnership firm); and is competent to contract and enter into and perform his/her/its obligations under these Terms or a body duly constituted under the laws of the land and is competent to contract and perform his/her/its obligations under these Terms; (v) in case of trusts/societies are constituted and registered under applicable guidelines, local/state laws and is competent to contract and perform obligations under these Terms and the person(s) executing these Terms and all documents on behalf of the Borrower in case of corporate/firm/trusts/society is/ are entitled to do so and has/have been duly authorized to accept and sign these Terms and all documents and writings. All consents required by the Borrower for the execution and performance have been duly obtained. Nothing contained in the charter documents/partnership deed/trust deed/bye-laws conflict with the arrangement contemplated under these Terms which would render the obligations under these Terms either null and void or voidable;

9.12 The Borrower shall utilize the Construction Equipment/ Vehicle Loan for the purpose for which it is granted and for no other purpose whatsoever,

9.13 The Borrower shall repay to the Bank the Construction Equipment/ Vehicle Loan in accordance with the Repayment Terms mentioned herein.

9.14 The Borrower shall use the Construction Equipment/ Vehicle Loan Repayment Account as his main account and deposit all his receivables cheques, salary cheques, Professional and all other income therein and shall at all times maintain sufficient balance in the said account to ensure payment of each EMI;

9.15 Any dispute about interest computation shall not entitle the Borrower to withhold payment of an EMI;



9.16 The Borrower shall provide to the Bank its financial statement and other information and documents concerning his employment, profession, business or utilization of Construction Equipment/Vehicle Loan as the Bank may require from time to time.

9.17 The Borrower shall, within 7 (seven) days of the event, inform the Bank of any likely change and/or residential/office address;

9.18 the Borrower shall ensure that none of the DCs issued are returned dishonoured for any reason whatsoever and is aware that in such an event cheque dishonour charges will be payable by him/her to the Bank as specified in the Schedule.

9.19 the EDI given to the Bank by the Borrower pursuant to these Terms (i) shall not be changed, modified or countermanded without prior written permission of the Bank,(ii) if not acted upon by the Bank in which the account is maintained for whatever reason, then without prejudice to the rights of the Bank to recall the entire amount outstanding under the Construction Equipment/Vehicle Loan, the Borrower shall issue such revised instructions as may be necessary to ensure payment to the Bank and/or to issue and deliver DCs for the balance outstanding under the Construction Equipment/Vehicle Loan as per Schedule.

9.20 the Borrower shall not (i) close the bank account/s from which the said cheques have been issued/EDI has been given; (ii) issue any communication to the Bank for stopping or postponing the presentment of the said PDC/EDI (iii) shall not stand surety or as guarantor for any third party liability or obligation.

9.21 the Borrower in case of individual shall not leave India for employment or business or long stay or permanently, without first fully repaying the Construction Equipment/Vehicle Loan then outstanding, with interest and other dues, including prepayment charges, if any and shall keep himself aware of all the rules of the Bank, as pertaining to the Construction Equipment/Vehicle Loan, and in force from time to time.

9.22 The Borrower shall maintain, operate and fund the Construction Equipment/Vehicle Loan Account, if any, till the whole of the Loan Amount, together with interest and charges thereon, is received in full by the Bank.

9.23 That the Borrower is/are not facing any litigation which have been initiated by another financier including Banks. The Borrower confirms that there has been no material adverse change in the financial condition of the Borrower, nor has any event which is prejudicial to the interest of the Bank taken place since the date of the latest audited financials of the Borrower which is likely to materially and/or adversely affect the liability of the Borrower to perform all or any of the obligations under this Agreement.

9.24 That the Loan is not being availed for any activities relating to producing or consuming Ozone Depleting Substances, in terms of Montreal Protocol to which Government of India is a part. Further that the Purpose of the Loan is compliant with various environment laws and has obtained all relevant environmental clearances for the proposed project. That the Borrower has instituted and shall from time to time institute appropriate monitoring, evaluation and reporting process and confirms that the project does not/shall not have any negative environment or social impact and appropriate corrective measures shall be taken as recommended by relevant authorities.

9.25 That each of these representations will remain correct and complied with so long as the Construction Equipment/Vehicle Loan and/or any sum there under remain outstanding.

9.26 The Borrower covenants and undertakes;

(i) to obtain and do all that is necessary to maintain in full force and effect all authorizations, approvals, consents, insurances, licences, permissions and renewals required in or by the laws of India in relation to this Agreement, each of supporting documents and the performance of obligations hereunder and there under and the Asset(s);

(ii) to furnish to the Bank all such information, statements, particulars, estimates and reports etc. as the Bank may require from time to time as to the compliance with the terms of the Loan and shall also submit to the Bank, in form and detail satisfactory to the Bank, unaudited quarterly income statements of the Borrower within 30 (thirty) days of the close of each quarter period and copies of audited financial statements including balance sheet and profit and loss account (in detail and not in the abridged form) within 120 (one hundred and twenty) days after the close of each financial year;

(iii) in case of a corporate not to enter into any scheme of merger, amalgamation, compromise or reconstruction without the prior written consent of the Bank;



- (iv) not to permit any change in the ownership or control of the Borrower whereby the effective beneficial ownership or control of the Borrower shall change, without the prior written consent of the Bank;
- (v) not to effect any material change in the management of the business of the Borrower, without the prior written consent of the Bank;
- (vi) not to make any amendments in the Borrower's memorandum of association and articles of association and/or any other constitutional documents which would have an impact on the Borrower's obligations under these Terms without the prior written consent of the Bank;
- (vii) not to declare any dividend if any installment towards principal or interest remains unpaid on its due date or if an Event of Default has occurred;
- (viii) not to induct a person who is a director on the Board of a company which has been identified as a wilful defaulter by Reserve Bank of India/Credit Information Bureau (India) Limited and that in case, such a person is found to be on the Board of the Borrower, Borrower would take expeditious and effective steps for removal of the person from the Board of Directors;
- (ix) not to pay any consideration whether by way of commission, brokerage, fees or in any other form to the guarantors;
- (x) To promptly notify the Bank in the event of the Borrower receiving a notice of application/petition being filed/intended to be filed for the insolvency/winding up/dissolution of the Borrower; or if a notice of any other legal proceedings to be filed or intended to be filed or initiated against the Borrower is received by the Borrower; or if a custodian or receiver is appointed of any of the Borrower's properties, business or undertaking; or if any part of the Borrower's properties, business or undertakings is/are attached;
- (xi) The Borrower in case of it being a corporate/partnership/society/trust represent that none of its Directors/ Partners/Members of the governing body or specified relative of such Directors/Partners/Members of the governing body are Directors/Partners of any banking company. (Applicable if Borrower is/are a body corporate or partnership firm or association of persons);
- (xii) The Borrower in case of it being a corporate/partnership/society/trust represent(s) that none of the directors of the Bank is the director, manager, managing agent, employee or guarantor of the Borrower, or of a subsidiary of the Borrower, or of the holding company of the Borrower, or holds substantial interest, in the Borrower or a subsidiary or the holding company of the Borrower and none of the director of any other bank holds substantial interest or is interested as a director or guarantor of the Borrower.
- (xiii) None of the relatives (as specified by RBI) of a chairman/managing director or director of Bank or a relative of senior officer (as specified by RBI) holds substantial interest or is interested as a director or as guarantor of (any of) the Borrower;
- (xiv) Get the Asset(s) (in case of acquiring a new Asset and registrable) registered with the appropriate Registering Authority under the Motor Vehicles Act, 1988;
- (xv) Inform the Bank in writing of any theft or damage to the Asset(s), lodging of any claim whatever with any insurance company in respect of the Asset(s) and such writing shall be delivered to the Bank within three working days of such damage or lodging of claim;
- (xvi) Inform the Bank of any loss, destruction or misplacement of the Registration Certificate of the Asset(s) (if applicable) or the Insurance Policy relating to the Assets(s) within three working days of such loss, destruction or misplacement.
- (xvii) Not apply for any duplicate Registration Certificate for the Asset(s) (if applicable) otherwise than by delivering the application thereof to the Bank for endorsing its charge on the Asset(s); and
- (xviii) Not transfer the registration of the Asset(s) to any city or town other than the City of Registration (if applicable);
- (xix) Indemnify and keep indemnified the Bank against any loss or damage to the Asset(s) or any part thereof from whatever cause whether or not such damage is as a consequence of the negligence of the Borrower.

(xx) The Borrower warrants that he/she/they shall have and maintain sufficient balance in the account of the drawee bank for payment of Dated Cheques/EDI Instruction on the day when any installment herein becomes payable and for 45 days thereafter to honour any Dated Cheque. The Borrower hereby warrants and undertakes that he has paid all public demands and all taxes and revenues payable to the Government of India or to the Government of any State or to a local authority and that at present there are no arrears of such taxes and revenues due and outstanding.

(xxi) It shall be the Borrower obligation to keep them acquainted with the rules of the Bank, from time to time.

## **10. Insurance and Maintenance**

10.1 At the request of the Borrower, the Bank may at its own discretion also finance the insurance premium of an insurance policy insuring the Borrower against the risks of personal accident, accidental hospitalization, outstanding amount of loan to the Bank and or critical illness provided that such insurance policy has been taken out by the Bank on behalf of the Borrower from an insurance company approved by the Bank with a specific instruction and authority by the Borrower to such insurance company that in case of any loss reported, the loss will be paid to the Bank by such insurance company. Such insurance premium paid by the Bank on behalf of the Borrower shall be added as the principal amount to the Construction Equipment/Vehicle Loan granted herein and shall form part of the Construction Equipment/Vehicle Loan. The Borrower shall pay to the Bank the amounts towards insurance premium, as mentioned above which may be loaded to the installments. The insurance premium being a part of Construction Equipment/Vehicle Loan may be disbursed by the Bank directly to such an insurance company approved by the Bank and such disbursement shall be deemed to be disbursement to the Borrower. Without prejudice to what is stated hereinabove, the Borrower shall at its own expense during the continuance of the security herein keep the Hypothecated Asset(s) covered under comprehensive risk, including riot, civil commotion risk, fire, theft, unlimited third party risk and other hazards as stipulated from time to time with such insurance company as may be required by the Bank by timely payment of all premiums in respect of such insurance and produce and deliver (if so required by the Bank) any insurance policy, cover note or receipt on demand by the Bank for its inspection and verification.

10.2 The insurance policy to be taken out hereunder shall be in the name of the Borrower and the Bank shall be described as loss payee under such insurance;

10.3 The Borrower agrees and undertakes to keep and maintain in good and marketable condition the Asset(s) at his own expense and replace all such parts whether broken or damaged with new parts. In this regard, the Borrower agrees to avail of the services of Authorized Service Agents of the Asset(s) manufacturer to effect repair or service of the Vehicles.

10.4 If the Borrower fails to comply with any of the terms and conditions mentioned herein the Bank may, but shall not be obliged to, take steps to keep and maintain the Asset(s) or insure or renew the insurance of the Asset(s) at the costs and expense of the Borrower, which amount shall be reimbursed by the Bank.

10.5 The Bank at its option shall be entitled to adjust, settle or compromise in any manner whatsoever at the Borrower costs any dispute arising under or in connection with the insurance policy or any claims arising thereunder and appropriate all monies towards settlement of the Construction Equipment/Vehicle Loan and the amounts outstanding or arising thereunder.

10.6 Borrower accepts that the Bank shall not be liable for any loss on account of non-renewal of insurance of the Asset(s) and any delay or non-payment by the insurance company or any settlement of claim at the option of the Bank.

## **11. Events of Default**

The Bank may, by a written notice to the Borrower, declare the Construction Equipment/Vehicle Loan to have become due and payable forthwith upon the occurrence (in the sole decision of the Bank) of any one or more of the following events:

11.1 The Borrower fails to pay to the Bank any amount on or before and payable (including an EMI) or furnish the DCs or any other documents may be required by the Bank from time to time or if any DCs are dishonoured or EDI are not acted upon.



11.2 The Borrower fails to pay to any person other than the Bank any amount on or before due date and payable or any person other than the Bank demands repayment of the loan or dues or liability of the Borrower to such person ahead of its repayment terms as previously agreed between such person and the Borrower

11.3 The Borrower defaults in performing any of his/her obligations or breaches any of these Terms.

11.4 The Borrower resigns, retires or is discharged or removed from the employment he/she was engaged or changes, discontinues his profession on the date of acceptance of these Terms;

11.5 Any of the information/document provided by the Borrower to avail the Construction Equipment/Vehicle Loan or any of the Representations and Warranties contained herein or Application form is being found to be or becoming incorrect or untrue;

11.6 11.7 On the death/lunacy or other disability of the Borrower;

11.8 If the Borrower becomes person resident outside India under the provision of Foreign Exchange Management Act, 1999;

11.9 If there is reasonable apprehension that the Borrower is unable to pay his/her debts or any person other than the Bank commencing proceedings to declare the Borrower insolvent or if the Borrower shall become bankrupt or insolvent or commit act of insolvency.

11.10 The Borrower fails to pay any insurance premium for the Asset(s) or charges or amounts in terms and conditions hereof;

11.11 The Asset(s) is confiscated, attached, taken into custody by any authority or subject to any execution proceedings,

11.12 The Asset(s) is/are endangered or damaged extensively due to any accident or otherwise rendering it unfit for use,

11.13 Borrower fails to pay any tax, impost, duty or any imposition or comply with any any other formalities required for the Assets(s) under law from time to time,

11.14 The Asset(s) is/are stolen or untraceable for a period of 30 days or any reason whatsoever,

11.15 Borrower fails to supply a certified true copy of the Registration Certificate within the time specified by the Bank,

11.16 Borrower failing to submit the particulars of the Asset(s) to the Bank as and when demanded,

11.17 The Asset(s) is/are used or alleged to be have been used for any illegal purpose or activity,

11.18 The Borrower fails or neglects to observe or perform, adhere to and comply with or commits a breach of any of these Terms;

11.19 The Borrower committing a breach of any other loan document entered into by the Borrower with the Bank or the Bank's companies or group entity or any other bank or financial institution or non-banking finance company or any other person, body or entity. Any of the group companies/associates of the Borrower defaulting in the terms and conditions of any loan document entered into between any of them and the Bank or Bank's group companies.

11.20 There existing any other circumstances which, in the sole opinion of the Bank, jeopardize the Bank's interest.

The Borrower agrees and confirms that the Bank may at its absolute discretion appropriate any payments made by the Borrower towards another loan transaction entered into by the Borrower and towards any other Indebtedness of the Borrower and such appropriation shall be final and binding upon the Borrower who shall continue to remain indebted to the Bank for payment of the dues in respect of which such sums of money were so paid but were appropriated towards another loan transaction entered into by the Borrower or towards another Indebtedness of the Borrower.

It is clarified that upon occurrence of an Event of Default, the Bank shall be entitled to adopt civil, criminal and/or other legal proceedings against the Borrower, including for dishonour of cheques under Section 138 of the Negotiable Instruments Act / Section 25 of the PASS act for dishonour of Instrument as the case may be.

*Version October 2020*

## 12. Bank's Right on Default

In the event of the Borrower committing any act of default as mentioned hereinabove, notwithstanding anything in contrary, the Bank shall be entitled at its absolute discretion to inter alia:

12.1 Call upon the Borrower by issuance of a 7 days loan recall notice (or forthwith in exceptional scenarios as mentioned hereinafter) to pay forthwith the outstanding balance of the loan together with the interest and all sums due and payable by the Borrower. The requirement of 7 days' notice will be dispensed with in case any fraud is perpetuated by the Borrower or persons/entity providing securities or if the effect or consequence of an event, circumstance, occurrence or condition which has caused in the opinion of the Bank, as of any date of determination, or could reasonably be expected to cause a material and adverse effect on: (i) the financial condition, business or operation of the Borrower, the persons/entities providing the securities or any Person who is party to any loan/security documents executed in connection with the credit facilities provided to the Borrower; (ii) the ability of the Borrower, to perform their respective obligations under the loan/security Documents; (iii) the legality, validity or enforceability of any of the loan/security documents executed for the benefit of the Bank (including the ability of Bank to enforce any of its remedies under the loan/security documents executed in connection to the credit facilities sanctioned to the Borrower.

**12.2 Repossession of the Asset(s):** To take possession of the Hypothecated Asset(s) after expiry of the notice period mentioned in clause (a) above from wheresoever it may be stored/kept/parked the Asset(s) including all accessories, body work, and fittings and for that purpose, it shall be lawful for the Bank or the Bank's authorized representatives, servants, agents, officers forthwith or any time enter upon the premises or garage where the Hypothecated Asset(s) shall be lying and kept and to take possession or recover or receive the same if necessary to break open such place of storage. Any damage to the land or building caused by removal of the Asset(s) shall be the sole responsibility of the Borrower(s). The possession as contemplated in the aforesaid clause would be done in conformity with the recovery policy of the Bank which is available in the Banks website [www.yesbank.in](http://www.yesbank.in), the terms whereof are deemed to be part and parcel of these presents.

12.3 To take all necessary steps as fully and effectively as the Borrowers could take to dispose off the Assets at the risk and cost of the Borrowers in all respect after issuance of a pre-sale notice intimating the Borrower/security provider of the proposed sale. The notice amongst others shall grant the Borrower/security provider reasonable time to repay the outstanding debt due and payable to the Bank. In case the Borrower/security provider pay the due and payable amount to the satisfaction of the Bank within the time lines mentioned in the pre-sale notice, the proposed sale shall be called off by the Bank and the Assets shall be handed over back to the Borrower/security provider at the costs and expense of the Borrower/security provider. On the contrary, if the Borrower/security provider fails to pay the due and payable amount within the time lines prescribed, Bank shall proceed to sell the Assets either through public or private auction as deemed appropriate.

12.4 The Borrower shall not raise any objection to the regularity of sale or other disposition made by the Bank nor shall the Bank be responsible for any loss that may arise from any act or default on the part of any broker or auctioneer or other person or body employed by the Bank or the receiver for the purpose of the sale or disposition.

12.5 In the event of there being any surplus available of the net proceeds of such sale after payment in full of the balance due to the Bank, it shall be lawful for the Bank to retain and apply such proceeds together with any money or monies belonging to the Borrower for the time being in the hands of the Borrower or under whatever account as far as the same shall extend against in or towards liquidation of any monies that shall be or may become due from the Borrower or any of its group companies/associates/guarantors/directors/promoters to the Bank or the Banks group companies.

12.6 The Borrower expressly recognizes and accepts that the Bank shall, without prejudice to its rights to perform such activities either itself or through its officers or servants and be absolutely entitled and have full power and authority to appoint one or more third parties at the sole discretion of the Bank and to transfer or delegate to such third parties the right and authority to collect on behalf of the Bank all unpaid amounts and to perform and execute all acts, deeds, matters and things connected therewith or incidental thereto.

## 13. Assignment and Transfer





13.1 The Bank shall have right to sell or transfer (by way of assignment, securitization or otherwise) the whole or part of the Construction Equipment/ Vehicle loan in such manner and on such terms and conditions as the Bank may decide at its sole discretion.

13.2 The Borrower expressly agrees, in the event of sale or transfer as aforesaid, to accept such person to whom the Construction Equipment/ Vehicle loan is sold or transferred as his/her lender and make the repayment of the Construction Equipment/ Vehicle loan to such person in the manner directed by the Bank.

13.3 The Borrower shall not be entitled to transfer or assign any of his/her rights under these Terms.

14.1. The rights and obligations of the parties under these Terms which by their nature survive the termination of this Terms or which are specified to termination of this Terms shall not be extinguished by the termination of this Agreement. The representations, warranties, covenants, undertakings and agreements made herein shall survive any investigation made by any party hereto and the completion of the transactions contemplated hereby.

14.2. All notices and other communications on the Borrower, Co-Borrower(s) and Guarantor shall be either to the address stated in the Application Form unless change of address was notified by the Borrower or Co-Borrower/Guarantor or through e-mail, whatsapp, SMS or any other electronic mode provided that the transmission is verifiable.

## 15. Miscellaneous

15.1 The Borrower and the Bank agree that in any legal action or proceeding arising out of or in connection with this Agreement, the entries made in the Books of Accounts maintained by the Bank shall be prima facie evidence of debt and of all amounts payable, as therein recorded, by the Borrower to the Bank;

15.2 If at any provision hereof is or becomes illegal, invalid or unenforceable in law, neither the legality, validity nor enforceability of the remaining provision hereof, nor the legality, validity or enforceability of other provisions shall in any way be affected or impaired thereby.

15.3 The Borrower and the Bank agree that any delay or omission by the Bank in exercising any of its rights, powers or remedies as the lender of the Construction Equipment/Vehicle Loan under these Terms and other documents pursuant hereto shall not impair the right, power or remedy or be construed as its waiver or acquiescence by the Bank.

15.4 Any waiver or forbearance or delay on the part of the Bank to insist upon the performance of any terms and conditions or to exercise any right or privilege conferred in these Terms or to demand any penalties resulting from any breach of any of the terms and conditions shall not be construed as a waiver on the part of the Bank of any of the terms and conditions of these Terms or any of its rights or privileges or any other default on the part of the Borrower and all such original rights and powers of the Bank will remain in full force, notwithstanding any such forbearance or delay.

15.5 The Borrower and the Bank confirm that these Terms and its Schedule and any other documents executed pursuant to these Terms shall represent one single Terms between the Parties.

15.6. The Borrower shall submit to the Bank Copy/Original Registration Certificate/Invoice/Insurance document with hypothecation noting in favour of YES Bank Ltd duly endorsed within 120 days from loan disbursement date, failing which the Bank shall be entitled to levy penalty for non - submission of all or any of the documents referred above. Bank shall be entitled to recover the penalty as specified in the Schedule till the submission of aforesaid documents. The penalty is neither refundable nor adjusted with the interest or any other charges.

15.7 Any notice shall be in writing and sent to the address stated in the Schedule/ Application Form. The Borrower shall forthwith inform the Bank of any change in his/her address and shall be subject to Indian laws.

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