

6) **Event of default -**

An event of default shall occur hereunder if the Borrower fails to, pay the Periodical Installments, the additional interest, effect insurance cover/ renew covering the interest of the lender and if he breaches any of the Terms and Conditions of this Loan agreement.

The event of default shall also occur when the Borrower becomes insolvent, is wound up by any court of Law, is subject to any criminal prosecution on account of any illegal activities or violation of any rules or regulations, on the Death of the Borrower, if the Financial condition of the Borrower in the opinion of the Lender has deteriorated or in the event of the Borrower not providing additional security on demand by the Lender

- 7) The Borrower may at any time with the prior consent of the Lender and without any prejudice to the Lender's rights under this Agreement or in law, sell or transfer the Product to any other person subject to such terms and conditions as may be stipulated by the Lender including the following:
- (i) the sale proceeds of the Product shall be directly remitted to the Lender in cash or by an account payee demand draft/pay order/ cheque by the purchaser/buyer of the Product. Such payment shall be appropriated for the satisfaction of the outstanding amount and considered as payment towards discharge of the transferee's obligation to the Borrower; and
 - (ii) the Borrower shall issue Bill of sale and pay applicable taxes (if any) on such sale of Product to the appropriate authority.

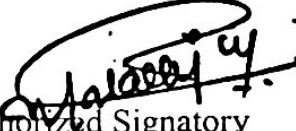
The Borrower acknowledges and confirms that any transfer of Product without written permission of the Lender or failure to fulfill the conditions prescribed in the written permission shall be considered as void. It is expressly agreed that notwithstanding sale of Product subject to the terms prescribed aforesaid, the Borrower and the co-borrower shall continue to be indebted to the Lender for any amount remaining outstanding for such appropriation and all remedies available to the Lender as herein given shall survive and the Lender shall be entitled and authorized to exercise its rights herein to recover its dues under this agreement.

8) **Consequences upon event of default:**

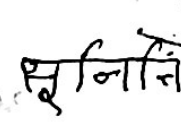
Upon occurrence of any event of default and any time thereafter, the Lender shall without prejudice to its rights in law, be entitled to take custody of hypothecated Asset on notice, to declare all sums due and to become due hereunder for the full term of agreement including foreclosure charges calculated at the rate of 3 % on the Principal outstanding, along with other dues including unpaid instalments, Service taxes, late charges etc as due and payable by giving 10 days notice and upon such demand if the Borrower fails to make the said payment in full within 10 days thereof, Lender shall have the right to do any or all of the following :

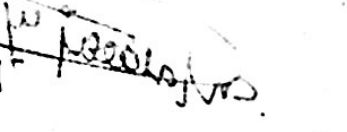
- a) To take custody of hypothecated asset on notice with inventory and on such notice, Borrower shall hand over hypothecated asset peacefully to the Lender after obtaining copy of the inventory.
- b) To value the asset and take steps to sell the hypothecated asset, on 'as is where is' condition after giving another notice proving an opportunity for the Borrower to pay the dues. On payments of dues by the Borrower, hypothecated Asset taken into custody by the Lender shall be handed over to the Borrower and in case Borrowers fails to respond to such notice, Lender shall sell the hypothecated asset in private or public auction or by inviting tenders or quotes as deemed fit, adjust the sale consideration towards dues payable by Borrower and for balance if any payable, shall proceed further to recover and shall take all reasonable precaution and prudent measures to comply with all rules and regulations

For Mahindra & Mahindra Financial Services Ltd.


Authorized Signatory
(Lender)


(Borrower)


(Co-Borrower)


(Guarantor)