

# AUTO LOAN AGREEMENT

**Agreement Date:** January 16, 2026

**Agreement Location:** Gurugram, Haryana, India

## 1. PARTIES TO THE AGREEMENT

**LENDER:** Prime Financing Solutions Private Limited

**Address:** 123 Finance Tower, DLF Cyber City, Gurugram, Haryana 122001, India

**Company Registration:** CIN U65999HR2015PTC057834

**Contact:** +91-124-4001234 | [loans@primefinancing.com](mailto:loans@primefinancing.com)

**BORROWER:** Rajesh Kumar Sharma

**Address:** B-206, Emerald Heights Apartments, Sector 48, Gurugram, Haryana 122001, India

**PAN:** ABJPS1234K

**Mobile:** +91-9876543210

**Email:** [rajesh.sharma@email.com](mailto:rajesh.sharma@email.com)

**CO-BORROWER:** Priya Sharma (Spouse)

**Address:** B-206, Emerald Heights Apartments, Sector 48, Gurugram, Haryana 122001, India

**PAN:** BGJPR5678M

**Mobile:** +91-9876543211

## 2. VEHICLE DETAILS

**Make:** Hyundai

**Model:** Creta

**Year:** 2026

**Body Type:** Sport Utility Vehicle (SUV)

**Color:** Polar White

**Vehicle Identification Number (VIN):** KMHEC4A47EU123456

**Engine Number:** G2CHA123456

**Registration Number:** DL 01 AB 1234 (to be registered)

**Mileage/Odometer:** 0 km (new vehicle)

**Accessories Included:**

- Roof rails
- Alloy wheels
- Advanced driver assistance system
- Panoramic sunroof

### 3. LOAN PARTICULARS

#### 3.1 Loan Amount and Vehicle Pricing

Particulars	Amount (₹)
<b>Vehicle Showroom Price</b>	13,50,000
<b>Registration &amp; Insurance</b>	75,000
<b>Accessories (Additional)</b>	45,000
<b>Total Vehicle Cost</b>	14,70,000
<b>Down Payment (by Borrower)</b>	(3,00,000)
<b>Trade-In Adjustment</b>	(0)
<b>Total Amount Financed</b>	11,70,000

**Total Loan Amount:** ₹11,70,000 (Rupees Eleven Lakh Seventy Thousand only)

#### 3.2 Loan Terms

Particulars	Details
<b>Loan Tenure</b>	60 months
<b>Rate of Interest</b>	8.5% per annum (fixed)
<b>Monthly EMI</b>	₹23,648
<b>Total Amount Payable</b>	₹14,18,880
<b>Total Interest Charged</b>	₹2,48,880
<b>First EMI Date</b>	February 16, 2026
<b>Last EMI Date</b>	January 16, 2031
<b>Mode of Payment</b>	Electronic Clearing Service (ECS) / Standing Instruction
<b>Payment Due Date</b>	16th of every month

### 3.3 Processing and Charges

Particulars	Amount (₹)
<b>Loan Processing Fee</b>	12,870 (1.1% of loan amount)
<b>Credit Report Fee</b>	500
<b>Vehicle Inspection Fee</b>	2,500
<b>Hypothecation Charges</b>	1,200
<b>Total Pre-Disbursal Charges</b>	17,070

**Note:** Processing charges shall be deducted from the loan disbursement or collected upfront as decided by the Lender.

---

## 4. DISBURSEMENT DETAILS

**Loan Disbursement Method:** Direct transfer to vehicle dealer or authorized service center

**Loan Disbursement Date:** January 20, 2026

**Beneficiary Bank Details (Dealer Account):**

- Bank Name: HDFC Bank Limited
- Account Number: 50100034567890
- IFSC Code: HDFC0000001
- Account Holder: Prime Motors Private Limited

**Documents Required for Disbursement:**

- Proof of completion of vehicle booking
- Vehicle delivery document
- Registration certificate (RC) with hypothecation clause
- Insurance policy certificate
- Signed agreement by Borrower

---

## 5. PAYMENT SCHEDULE

First 12 months payment schedule (remaining as per pattern):

<b>Month</b>	<b>Due Date</b>	<b>EMI (₹)</b>	<b>Principal (₹)</b>	<b>Interest (₹)</b>	<b>Outstanding Balance (₹)</b>
1	16-Feb-2026	23,648	15,581	8,067	11,54,419
2	16-Mar-2026	23,648	15,677	7,971	11,38,742
3	16-Apr-2026	23,648	15,774	7,874	11,22,968
4	16-May-2026	23,648	15,872	7,776	11,07,096
5	16-Jun-2026	23,648	15,970	7,678	10,91,126
6	16-Jul-2026	23,648	16,069	7,579	10,75,057
7	16-Aug-2026	23,648	16,169	7,479	10,58,888
8	16-Sep-2026	23,648	16,269	7,379	10,42,619
9	16-Oct-2026	23,648	16,370	7,278	10,26,249
10	16-Nov-2026	23,648	16,472	7,176	10,09,777
11	16-Dec-2026	23,648	16,574	7,074	9,93,203
12	16-Jan-2027	23,648	16,677	6,971	9,76,526

*Complete amortization schedule for 60 months available upon request*

---

## 6. INTEREST RATE AND CALCULATION

### 6.1 Interest Calculation Method

Interest shall be calculated on a daily reducing balance basis at the fixed rate of **8.5% per annum** (fixed throughout the loan period unless modified by RBI guidelines).

### 6.2 Interest Calculation Formula

Interest = (Outstanding Principal Balance × Annual Rate of Interest × Number of Days) / 365

#### Example for Month 1:

- Outstanding Balance: ₹11,70,000
- Daily Rate:  $(8.5\% / 365) = 0.02329\%$
- Number of Days: 31 days (January to February)
- Interest:  $\text{₹}11,70,000 \times 0.02329\% \times 31 = \text{₹}8,067$

### 6.3 Rate Variation Clause

The interest rate is fixed for the entire loan tenure. Any changes mandated by regulatory authorities (RBI, NHB) shall be applicable with 30 days' notice to the Borrower.

## 7. SECURITY AND HYPOTHECATION

### 7.1 Collateral

The Borrower hereby pledges the vehicle described in Section 2 as primary security for the loan repayment. The vehicle shall remain the property of the Borrower but shall be held as collateral with the Lender.

### 7.2 Hypothecation Clause

The Borrower agrees to create a first-position hypothecation in favor of Prime Financing Solutions Private Limited on the vehicle. The hypothecation shall be:

- Registered with the Regional Transport Authority (RTA)
- Endorsed on the Registration Certificate
- Maintained until full repayment of the loan

### 7.3 Insurance

The Borrower agrees to:

- Maintain a valid Comprehensive Motor Insurance policy covering both third-party and own-damage liabilities
- Keep the vehicle insured with a minimum coverage of ₹11,70,000 (loan amount)
- Add Lender's interest clause with the insurance company
- Provide annual renewal proof before expiry
- Add accidental death cover of ₹5,00,000 (optional but recommended)

**Insurance Requirement:** New India Assurance Company Limited (Policy Number: NIA/2026/1234567)

## **8. BORROWER'S OBLIGATIONS**

The Borrower agrees to:

### **8.1 Timely Payment**

- Make EMI payments on or before the 16th of each month without any default or delay
- Pay through ECS/Standing Instruction from the registered bank account
- Maintain sufficient balance in the account to enable automatic debit

### **8.2 Vehicle Maintenance**

- Keep the vehicle in good mechanical and physical condition
- Perform regular maintenance as per manufacturer's specifications
- Service the vehicle every 10,000 km or 6 months, whichever comes first
- Retain all service records for inspection

### **8.3 Vehicle Registration**

- Register the vehicle with the RTA within 14 days of purchase
- Ensure hypothecation is duly noted on the Registration Certificate
- Renew vehicle registration annually before expiry
- Maintain valid pollution under control (PUC) certificate

### **8.4 Vehicle Usage**

- Use the vehicle for personal purposes only (not commercial)
- Not undertake long-distance journeys exceeding 5,000 km per month without prior written approval
- Not rent, lease, or pledge the vehicle to any third party
- Not modify the vehicle structure or engine without Lender's written consent

### **8.5 Notification Obligations**

- Notify the Lender within 48 hours of:
  - Any accident or damage to the vehicle
  - Any change in address or contact details
  - Loss of Registration Certificate or insurance documents
  - Legal proceedings or claims against the vehicle

### **8.6 Financial Disclosure**

- Inform the Lender immediately of any material adverse change in financial condition
  - Disclose any additional loans or liabilities undertaken during the loan tenure
  - Provide proof of income and tax returns as requested
-

## **9. LENDER'S RIGHTS**

### **9.1 Default Management**

If the Borrower defaults on EMI payment by:

- **7-14 days:** Written reminder and penal interest of 1% per annum on overdue amount
- **15-29 days:** Legal notice and penal interest of 2% per annum; additional cost recovery fees
- **30+ days:** Right to repossess the vehicle and recover through sale; black listing with credit bureaus; legal action for dues

### **9.2 Vehicle Repossession**

Upon default exceeding 30 days, the Lender has the right to:

- Repossess the vehicle without notice
- De-register the vehicle from Lender's possession records
- Auction the vehicle and recover dues from the sale proceeds
- Claim deficit amount from the Borrower with interest and costs

### **9.3 Inspection Rights**

The Lender reserves the right to:

- Inspect the vehicle at any time without prior notice
- Verify maintenance records and vehicle condition
- Obtain photographs and technical inspection reports
- Conduct audit of vehicle usage and registration status

---

## **10. LATE PAYMENT AND PENALTIES**

<b>Scenario</b>	<b>Charges</b>
<b>EMI delayed by 7-14 days</b>	1% penal interest per annum on overdue amount
<b>EMI delayed by 15-29 days</b>	2% penal interest per annum + ₹500 reminder cost
<b>EMI delayed by 30+ days</b>	3% penal interest per annum + ₹1,000 legal notice cost
<b>Cheque dishonor/ECS failure</b>	₹250 per incident + penal interest as applicable
<b>Late renewal of insurance</b>	₹1,500 + auto-renewal cost recovery
<b>Non-submission of vehicle documents</b>	₹100 per day (maximum ₹5,000 per calendar year)

**Note:** Penal interest shall be calculated on the overdue EMI amount until full clearance.

## 11. PREPAYMENT AND FORECLOSURE

### 11.1 Prepayment Option

The Borrower may prepay the entire loan or make partial prepayments without any penalty. The Borrower must provide:

- 30 days' written notice for full prepayment
- Proof of funds availability
- Settled all dues including penal interest if any

### 11.2 Prepayment Amount Calculation

Full Prepayment Amount = Remaining Principal Balance + Accrued Interest + Outstanding Charges

**Example:** If Borrower opts for full prepayment after 24 months (Month 24):

- Remaining Outstanding Balance: ₹7,89,456
- Accrued Interest (if any): ₹2,150
- Total Prepayment Amount: ₹7,91,606

### 11.3 Loan Closure

Upon full repayment, the Lender shall:

- Issue a No Objection Certificate (NOC) within 7 business days
- Provide a clearance letter for RTA de-hypothecation
- Release all original documents (Registration Certificate, insurance, etc.)
- Provide a clearance statement for credit bureau reporting

---

## 12. DEFAULT AND REMEDIES

### 12.1 Default Definition

Default shall occur if:

- EMI remains unpaid for more than 15 days from due date
- Insurance lapses or coverage falls below required amount
- Vehicle is damaged beyond repair without proper disclosure
- Hypothecation is removed or violated
- Any material misrepresentation is discovered

### 12.2 Lender's Remedies (in order of escalation)

1. **Written Reminder** (7 days after default)
2. **Legal Notice** (15 days after default) - ₹1,000 cost
3. **Vehicle Repossession** (30 days after default)
4. **Vehicle Auction** and recovery from sale proceeds
5. **Legal Action** under Consumer Protection Act, 2019 and IPC
6. **Credit Bureau Reporting** - CIBIL negative reporting for 7 years
7. **Recovery through Debt Collector** and legal proceedings

### 12.3 Borrower's Remedies

The Borrower retains all rights under:

- Reserve Bank of India (RBI) guidelines on lending practices
- Consumer Protection Act, 2019
- Motor Vehicles Act, 1988
- Central Bureau of Investigation (CBI) complaints for fraud

---

## 13. FORCE MAJEURE

The Lender shall not be liable for delays or non-performance caused by:

- Natural disasters, floods, earthquakes, or acts of God
- War, terrorism, or civil unrest
- Pandemic or epidemic situations
- Government orders or regulatory changes
- Strikes or labor disputes

In such cases:

- EMI due date may be extended by 60-90 days with written notice
- No penal interest shall apply during force majeure period
- Normal interest shall continue to accrue

## 14. INSURANCE AND PROTECTION

### 14.1 Comprehensive Insurance

The Borrower must maintain comprehensive motor insurance covering:

- **Third-party liability:** Minimum as per Motor Vehicles Act, 1988
- **Own-damage:** Full vehicle value (₹14,70,000 minimum)
- **Personal accident cover:** ₹5,00,000 per person

#### Current Insurance:

- **Policy Number:** NIA/2026/1234567
- **Insurer:** New India Assurance Company Limited
- **Coverage:** ₹14,70,000 (comprehensive with own-damage)
- **Premium:** ₹18,375 per annum (paid for 1 year)
- **Expiry Date:** January 15, 2027
- **Renewal Responsibility:** Borrower must renew before expiry

### 14.2 Insurance Claim Process

In case of accident or damage:

1. Immediately notify Lender and Insurance company (within 24 hours)
2. Do not move the vehicle without police/insurer approval
3. Obtain police FIR for third-party damage claims
4. Provide original insurance policy and documents to insurer
5. Lender shall be kept informed of claim status
6. Settlement proceeds shall be applied toward vehicle repairs or loan repayment as decided by Lender

### 14.3 Loss Payee Clause

The insurance policy shall include a clause making "Prime Financing Solutions Private Limited" as loss payee for amounts exceeding ₹2,00,000.

---

## 15. CREDIT BUREAU REPORTING

### 15.1 Positive Reporting

Monthly EMI payment details shall be reported to credit bureaus:

- TransUnion CIBIL Limited
- Experian Credit Information Company Limited
- Equifax Credit Information Services (India) Private Limited

Timely payments will enhance the Borrower's credit score.

### 15.2 Negative Reporting

In case of default exceeding 30 days:

- Default status shall be reported to all credit bureaus
- Negative mark shall remain on credit report for 7 years

- This shall impact future loan approvals and credit access
- 

## 16. DATA PRIVACY AND CONFIDENTIALITY

### 16.1 Personal Data Handling

The Lender shall:

- Maintain confidentiality of all Borrower information
- Comply with Reserve Bank of India (RBI) data security guidelines
- Use data only for loan management and credit reporting purposes
- Not share information with third parties without written consent (except for credit bureaus and regulatory authorities)

### 16.2 Right to Information

The Borrower may request:

- Loan statement (free quarterly; monthly on paid basis at ₹100)
  - Duplicate copies of agreement (₹200 per copy)
  - Updated amortization schedule (free upon request)
- 

## 17. AMENDMENTS AND MODIFICATIONS

### 17.1 Regulatory Changes

If RBI, NHB, or government guidelines change EMI calculation methods:

- Lender shall provide 30 days' written notice
- Modified terms shall apply prospectively only
- Borrower has the right to prepay without penalty if objecting to changes

### 17.2 Agreement Modification

Any changes to this agreement require:

- Written consent from both Lender and Borrower
  - Signatures from authorized representatives
  - Amendments shall be dated and countersigned
- 

## 18. DISPUTE RESOLUTION

### 18.1 Escalation Procedure

In case of disputes:

**Level 1:** Contact Lender's Customer Service

- Phone: +91-124-4001234
- Email: [disputes@primefinancing.com](mailto:disputes@primefinancing.com)
- Timeline: Resolution within 7 days

**Level 2:** Escalate to Lender's Ombudsman

- Address: Prime Financing Solutions, Complaint Department, DLF Cyber City, Gurugram
- Timeline: Resolution within 30 days

#### **Level 3:** RBI Banking Ombudsman (if RBI-regulated)

- Applicable if Lender is RBI-regulated entity
- Filing fee: Nominal as per RBI guidelines

#### **Level 4:** District Consumer Disputes Redressal Commission

- Applicable under Consumer Protection Act, 2019
- Jurisdiction: Gurugram District, Haryana

### **18.2 Arbitration**

If both parties agree, disputes shall be resolved through:

- **Arbitrator:** Single arbitrator mutually agreed upon
- **Venue:** Gurugram, Haryana
- **Arbitration Cost:** Equally shared
- **Award:** Final and binding

---

## **19. GOVERNING LAW AND JURISDICTION**

### **19.1 Applicable Laws**

This agreement shall be governed by:

- Indian Contract Act, 1872
- Motor Vehicles Act, 1988
- Reserve Bank of India Regulations (if applicable)
- Consumer Protection Act, 2019
- State-specific lending regulations

### **19.2 Jurisdiction**

Both parties irrevocably submit to the jurisdiction of:

- District Courts of Gurugram, Haryana, India
- All proceedings shall be conducted in English/Hindi language

---

## **20. SIGNATURES AND ACKNOWLEDGMENT**

### **Borrower's Signature Section**

I/We hereby acknowledge that I/we have carefully read, understood, and voluntarily agree to all the terms and conditions mentioned in this Auto Loan Agreement. I/We confirm that all information provided is true and accurate to the best of my/our knowledge.

**Borrower:**

Signature: \_\_\_\_\_

Name: Rajesh Kumar Sharma

PAN: ABJPS1234K

Date: January 16, 2026

**Co-Borrower:**

Signature: \_\_\_\_\_

Name: Priya Sharma

PAN: BGJPR5678M

Date: January 16, 2026

**Lender's Authorization Section**

I/We, on behalf of Prime Financing Solutions Private Limited, hereby authorize the disbursement of the loan and confirm acceptance of the terms.

**Authorized Officer:**

Signature: \_\_\_\_\_

Name: Vikram Singh

Designation: Loan Authorization Officer

Employee ID: EMP/2024/0567

Date: January 16, 2026

**Approved By (Loan Manager):**

Signature: \_\_\_\_\_

Name: Deepika Verma

Designation: Senior Loan Manager

Employee ID: EMP/2023/0234

Date: January 16, 2026

**Official Stamp of Lender:**

[OFFICIAL SEAL OF PRIME FINANCING SOLUTIONS PRIVATE LIMITED]

---

## 21. ANNEXURES AND SUPPORTING DOCUMENTS

### Annexure A: Complete Amortization Schedule (60 Months)

*Full payment schedule available as separate Excel attachment*

### Annexure B: Insurance Certificate

- Policy Number: NIA/2026/1234567
- Insurer: New India Assurance
- Effective Date: January 16, 2026
- Expiry Date: January 15, 2027

## Annexure C: Vehicle Registration Document

- RC Number: [To be provided after registration]
- Engine Number: G2CHA123456
- Chassis Number: KMHEC4A47EU123456
- Hypothecation Endorsement: Yes

## Annexure D: KYC Documents Submitted

- Aadhaar Card (verified)
- PAN Card (verified)
- Address Proof (utility bill dated December 2025)
- Income Proof (latest salary slips of 3 months)
- Employment Letter

## Annexure E: Loan Sanction Letter

- Loan Approved by: Deepika Verma, Senior Loan Manager
- Approval Date: January 10, 2026
- Approval Reference: PFS/2026/LAP/1234
- Validity: 30 days (valid until February 10, 2026)

---

**Total Pages:** 16 pages (including all annexures)

**Document Generated:** January 16, 2026

**Loan Commencement Date:** January 20, 2026

**First EMI Due:** February 16, 2026

---

## END OF AGREEMENT

*This is a legally binding contract. In case of any discrepancies or clarifications, contact Prime Financing Solutions at +91-124-4001234 or [loans@primefinancing.com](mailto:loans@primefinancing.com)*