

# **LOAN AGREEMENT**

## **VEHICLE LOAN CUM HYPOTHECATION AGREEMENT**

This agreement is made at New Delhi on 13<sup>th</sup> day of September'2017 between SGC INVESTMENT LTD. Incorporated under the companies Act, 1956 and having its Registered Office at 207, 2nd Floor, Chowdhary Complex, Hide Market, New Delhi (herein after called the "Lender" which expression shall, unless it be repugnant to the meaning or context there of, mean and include its successors in title and assigns) of the FIRST PART

### **WHEREAS:**

A). The Lender is a non banking finance company registered as such with the Reserve Bank of India, and is inter alia engaged in the business of providing funds for various purposes and the Borrower(s) has approached the Lender for a Loan against the security of the Vehicle (s) and the Lender has agreed to provide the said loan against security, to be created by way of hypothecation of the Vehicle(s).

B) The parties here to are desirous of recording the terms and conditions in relation to the proposed loan to be made by the Lender to the Borrower and certain other matters related thereto in the manner here in after contained,

**FOR SGC INVESTMENT LTD.**

**AUTHORISED SIGNATORIES  
[GUARANTOR(S)]  
(LENDER)**

**[BORROWER(S)]**

C) The Guarantors(s) along with the Borrower(s) has/have approached the Lender to provide a loan against the said Vehicle(s) the Borrowers(s), on his/her/their guarantee for the due performance and observance of the Terms and Conditions of the Agreement by the Borrowes(s).

D) The Borrower(s) and the Guarnator(s) have completed, signed and forwarded to the Lender the Proposal Form (which is the basis of this Agreement) with respect to their means, properties and other assets solemnly affirming as being absoltely true and correct which has induced the Lender to enter into this Agreement and whereas they have declared the they shall neither self-alienate, encumber nor charge their property or any part thereof till such time that their liability is full discharged under this Agreement, and the Lender has the first and paramount lien on all the assets, stated by the Borrower(s) and the Guarantor(s) in the Proposal Form for any amount due to the Lender under this Agreement.

**NOW THIS AGREEMENT WITNESSES AND THE PARTIES HERETO AGREE AS FOLLOWS:**

### **Meanings & Interpretations**

i) "Credit information" means all information, representations, particulars of operations and business, financial information, representation on future business prospects and clarifications furnished by the Borrower(s) and/ or Guarantor(s) to the Lender from time to time.

## **TERMS AND CONDITIONS OF THE LOAN AGREEMENT**

### **ARTICLE 1**

#### **BASIC TERMS OF THE LOAN**

##### **1.1 Amount of the Loan**

The Lender hereby agrees to lend and the Borrower(s) here by agrees to borrow such amount as is set out in schedule 1 of this Agreement on the security of the Vehicle(s), as described in Schedule1, on the terms and conditions here in after appearing.

##### **1.2 Disbursement of the Loan**

i) In the case of purchase of new Vehicle(s), the loan amount shall be disbursed by the Lender directly to the Dealer/Manufacturer and such disbursement shall be deemed to be disbursement to the Borrower(s).

ii) In the case of purchase of used Vehicle(s), the loan amount shall be disbursed by the Lender to the Owner/ Seller of the Vehicle(s), or to the Dealer and such disbursement shall be deemed to be disbursement to the Borrower(s).

##### **1.3 Tenure of the Loan**

The tenure of the Loan shall be as set out in Schedule 1.

##### **1.4 Interest**

The Borrowers(s) shall be liable to pay interest, as per Schedule 1, on the loan amount from the date of disbursement

#### **FOR KIM INVESTMENT LIMITED**

AUTHORISED SIGNATORIES

[BORROWER(S)]

[GUARANTOR(S)]

(LENDER)

##### **1.5 Taxes and other charges**

The borrower(s) irrevocably agrees to pay to the Lender all taxes and duties whether Sales Tax, Service Tax, Interest Tax or Excise Duty or any other related and consequential statutory, duties and taxes now or here after levied on this transaction or upon the Vehicle(s), with retrospective or prospective effect. The Borrower(s) shall also pay service fees, charges payable on cheques deposited for the payment of installments or any other dues) but returned unpaid and delayed payment charges as set out in the Schedule 1 hereto and all other charges specified by the Lender including costs, expenses, incurred or paid by the lender or payable under any Terms and Conditions of this agreement.

#### **FOR KIM INVESTMENT LIMITED.**

AUTHORISED SIGNATORIES

[BORRWOER(S)]

[GUARANTOR(S)]

(LENDER)

##### **1.6 Cross Default**

i) The Borrower(s) and the Guarantor(s) agree and confirm that the Lender may its absolute discretion appropriate any payments made by the Borrower(s) or the Guarantor(s) under this Agreement towards another agreement or transaction entered into by the borrower(s) or the Guarantor(s) and towards any other Indebtedness of the Borrower(s) or the Guarantor(s) and such appropriation shall be final and binding upon the Borrower(s) and the Guarantor(s) who shall continue to remain Indebted to the Lender for payment of dues under this Agreement.

ii) Any default by the Borrower(s) or the Guarantor(s) in discharging its liability under any other Agreement with the Lender shall be deemed to be a default under this Agreement and vice versa and the Lender shall be entitled to exercise any or all rights under this Agreement.

**FOR KIM INVESTMENT LIMITED.**

AUTHORISED SIGNATORIES  
[GUARANTOR(S)]  
(LENDER)

[BORROWER(S)]

**ARTICLE 2  
SECURITY**

**2.1 Vehicle Under Exclusive Hypothecation To**

i) As security for the due payment and discharge by the borrower(s) of all or any sum which are or at any time may become payable by the Borrower(s) to the Lender, the Borrower(s) hereby hypothecates/agrees to hypothecate the Vehicle(s) in favour of the Lender together with all accessories and additions to or in the Vehicle(s), whether present or future, by way of first and exclusive charge.

ii) The Borrower(s) in whose name the vehicles(s) is going to be registered/already registered acknowledge with the express consent of the Guarantor(s), that the Borrower(s) shall by an oral agreement, hypothecate the Vehicle(s) on the Terms and Conditions contained in this Agreement in favour of the Lender immediately upon delivery of the Vehicle(s) to him or upon signing of this Agreement to confirm and record the fact that the Borrower(s) has hypothecated the Vehicle(s) in favour of the Lender as per the provisions of this Agreement. The Borrower(s) may have the registration of the Vehicle(s) in the Borrower(s)'s name but undertakes to get the name of the Lender endorsed in the Registration Certificate(s) of the Vehicle(s) to the following effect, or as provided in the Motor Vehicles Act, 1988 or any statutory amendments thereof:

**“The Motor Vehicle described above is subject to Hypothecation in favour of KIM INVESTMENT LIMITED. AMRITSAR under a Loan Agreement with KIM INVESTMENT LIMITED and endorsed in favour of it.**

**2.2 The Borrower(s)/Guarantor(s) shall keep deposited with the Lender the following sums:**

i) Security Deposit  
Upon execution of this Agreement the borrower(s) shall maintain a deposit with the Lender of such amount (as per Schedule 1 hereto) as “Security Deposit”.

**FOR KIM INVESTMENT LIMITED**

AUTHORISED SIGNATORIES  
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**ii) Interest on Security Deposit**

The Lender shall pay interest at the rate specified in schedule 1 on the Security Deposit placed by the Borrower(s), Guarantor(s) with the Lender, this interest shall be

paid to the Borrower(s)/Guarantor(s) at the time of end of the tenure of this Agreement. However, in the event of early termination or prepayment, the Lender shall not be liable to pay interest at the stipulated rate of interest on the Security Deposit but shall pay interest at such rate as the Lender may in its sole discretion determine.

**iii) Lien on Security Deposit**

The Borrower(s)/Guarantor(s) hereby confers and unconditional lien on the Lender in respect of the Security Deposit and interest accruing thereon and grants to the Lender an unconditional right to adjust these moneys against the amounts owing to the lender under this Agreement, without notice, in the order as the Lender may deem fit and proper.

**2.3** The Lender may at any time accept any other security from the Borrower(s)/Guarantor(s) as it deems fit to secure the payment of the dues under this Agreement.

**ARTICLE 3  
CONVENANTS OF THE BORROWER**

**3.1 The Borrower(s) hereby agrees, undertakes and warrants that the Borrower(s):**

i) Shall punctually and regularly pay to the Lender all the sums due under this Agreement within the stipulated period without any previous demand by the Lender at its office at Amritsar.

ii) Shall keep the Vehicle(s) in sound and working condition under the Borrower(s) own possession and control.

**ARTICLE 4  
INSURANCE**

4.1 i) in order to safeguard the security for the Loan and to ensure that the Lender's lien is marked on the insurance, the Borrower(s) shall, immediately after signing this Agreement, keep the Vehicle(s) insured, under Comprehensive Insurance Policy with an Insurance Company approved by the lender, against any loss or damage by accident, theft, fire riots, civil commotion, floods and unlimited Third Party liability risks during the operation of this Agreement and hereafter until repayment of all amounts due to the Lender.

ii) Each Insurance Policy shall be in the name of the Borrower(s) with the necessary endorsement in favour of the Lender as "Loss Payee" and additional endorsement in favour of the Lender's Banker's, if so required by the Lender.

**FOR KIM INVESTMENT LIMITED.**

AUTHORISED SIGNATORIES  
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(LENDER)

[BORROWER(S)]

## **ARTICLE 5 EVENTS OF DEFAULTS**

5.1 The Following events are the "Events of Default".

- i) if any Installment, or a part thereof or any other dues payable under this Agreement are in arrears and remain unpaid after the due date for any reason whatsoever;
- ii) If the Borrower(s) commits breach if any of the terms, covenats and conditions herein contained or has made any misrepresentation to the Lender.
- iii) if the Borrower(s) has voluntarily or compulsorily become the subject of proceedings under any bankruptcy or insolvency law or being a company , goes into liquidation or has a Receiver appointed in respect of its assests or refers itself to BIFR or legal proceedings are initated for its winding up;

**FOR KIM INVESTMENT LIMITED.**

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(LENDER)

[BORROWER(S)]

## **ARTICLE 6 LENDER'S RIGHTS AND REMEDIES ON DEFAULT BY THE BORROWER(S)**

6.1 Upon occurrence of any one or more "Events of Default"

- i) The entire balance of loan, interest hereon together with all other dues and charges becoming so liable to be paid under the Agreement, shall immediately stand repayable to the Lender.
- ii) Without prejudice to the Lenders other rights, the Lender shall be entitled to forthwith take physical possession of the Vehicle(s) enforce its security. For this purpose the Lender's authorized representatives, employee and agents will have unrestricted right of entry in any permises of the Borrower(s) or any place where the Vehicle(s) is stationed to take the physical possession of the vehicle(s) and the Borrower(s) shall not prevent or obstruct them form taking the physical possession of the vehicle(s).
- iii) In order to enforce its security as aforesaid it shall be lawful for the Lender or its authorized representatives or its employees or its agents to forwith or at any time without notice to the Borrower(s) to enter upon any premises or garage or godown where the Vehicle(s) may be or is believed to be and take possession of the same without being laible to any court or other proceeding by thr Borrower(s) or any person claiming under him or otherwise. The Lender will be within its right to use tow-cranes to carry away the Vehicle(s). The Borrower(s) shall be liable to apy any towing changes or other such expenses incurred by the Lender for effecting the possession of the Vehicle(s) and for its safe keeping etc.