

Citi India consumer banking customers are now served by Axis Bank. Citi India has transferred ownership of its consumer banking business to Axis Bank (registration number L65110GJ1993PLC020769). Consumer banking customers can continue to use all existing Citi products and/or services, branches, ATMs, internet banking and Citi Mobile® App as usual. Axis Bank is the provider of Citi branded consumer banking products in India temporarily and Citi India is providing certain services in respect of those products. The trademarks "Citi", "Citibank", "Citigroup", the Arc design and all similar trademarks and derivations thereof are used temporarily under license by Axis Bank from Citigroup Inc. and related group entities.



LOAN DOCUMENTATION

Customer Name : _____

Contract No. : _____

Disbursement Date : _____

Asset Type : _____

**USED VEHICLE / EQUIPMENT /
MACHINERY FINANCE**

FROM _____



LOAN CUM HYPOTHECATION AGREEMENT

THIS AGREEMENT OF HYPOTHECATION CUM GUARANTEE is made at the place and on the day, month and year set out at the end of this Agreement;

AMONGST

The “**Borrower**” the details whereof are given at the end of this Agreement, of the First Part

AND

The “**Guarantor**” wherever applicable, the details whereof are given at the end of this Agreement, of the Second Part

AND

Citicorp Finance (India) Ltd, a company registered under the Companies Act 1956 having its registered office at B-7, 5th Floor, Nirlon Knowledge Park, Goregaon (East), Mumbai - 400 063 and a representative/sales/Branch Office inter-alia at the place mentioned in the end of this Agreement (hereinafter referred to as “**CFIL**”) of the Third Part.

RULES OF INTERPRETATION

- a) The Expression ‘Borrower’, ‘Guarantor’ and ‘CFIL’ shall unless it be repugnant to the meaning or context thereof mean and include their Legal heirs, Executors, Permitted Assigns, Administrators, Official Receivers, Successors in business or title etc. as the case may be.
- b) Reference to any gender shall include all genders and reference to words in the singular shall include words in the plural and vice versa in the context thereto.
- c) The word ‘including’ shall be construed without limitation.
- d) A provision of law is a reference to that provision as extended, applied, amended or re-enacted and includes any subordinate legislation.
- e) A day is a reference to a calendar day.
- f) Any approval or consent required from or any waiver given by CFIL will only be effective if issued by CFIL in writing.
- g) The headings of a clause, sub-clause or schedule in this Agreement are for convenience only and shall not constrain or affect its construction or interpretation in any way whatsoever.

WHEREAS

- i. The Borrower and Guarantor have approached and requested CFIL to grant to the Borrower certain Credit Facilities for his daily operational needs in the ordinary course of transportation/construction business, particulars where of are given in the Schedule I hereto and which are hereinafter referred to as the “said Credit Facility/ies”.
- ii. One of the conditions stipulated by CFIL for sanction of the said Credit Facilities, is that the Borrower shall cause to be Hypothecated to CFIL the Assets belonging to the Borrower and execute in favour of CFIL an agreement being these presents, to record, inter-alia, the terms and conditions of the said sanction.
- iii. In consideration of CFIL having agreed to sanction the said Credit Facilities, upon execution of this Agreement recording the following terms and conditions which have been duly accepted by the Borrower and the Guarantor.

NOW THIS AGREEMENT WITNESSETH AS UNDER: DEFINITIONS

- (a) “Agreement” means and includes this Agreement and the attachment(s) annexed hereto. Agreement shall also include application, supplementary agreement(s), modifications, alterations, addendums, attachments and schedules subsequently executed during the tenure of this Agreement.
- (b) “Automated Clearing House (ACH)” means Debit Clearing Service by an electronic funds-transfer system run by the National Automated Clearing House Association (NACHA) implemented by National Payments Corporation of India (NPCI), participation in which has been confirmed by the Borrower in writing for facilitating payment of EMI.

For Citicorp Finance (India) Ltd

X1

Borrower

Y1

Guarantor

Authorised Signatory

UG1

- (c) "Applicable Laws" means, all central, state, provincial and local (i) laws, ordinances, regulations and codes and (ii) orders, requirements, directives, decrees, decisions, judgments, interpretive letters, guidance and other official releases of any Judiciary/ Regulatory/ Governmental authority that are applicable to the subject matter of this Agreement.
- (d) "Borrower(s)" means and includes any person to whom CFIL has agreed to grant the Loan Facility and has received the same pursuant to this Agreement as mentioned herein.
- (e) "Business Day" means, unless specified otherwise, a day on which banks are open for business in India (excluding Saturdays, Sundays and public holidays).
- (f) "Credit/Loan Facility" means the loan amount set out in Schedule I of this Agreement, including any additional financial facility availed from CFIL by the Borrower, along with all interests, costs, charges and expenses as mentioned under this Agreement.
- (g) "Delayed Payment Charge" means fees assessed for a payment delayed beyond the due date of the Equated monthly Installment (EMI).
- (h) "Effective Date" means unless specified otherwise, the date on which the Credit Facility amount is approved/ sanctioned.
- (i) "Electronic Clearance Service (ECS)" means Debit Clearing Service notified by the Reserve Bank of India, participation in which has been confirmed by the Borrower in writing for facilitating payment of EMI.
- (j) "Equated Monthly Installments (EMI)" means and includes the amount of monthly payment required to repay the principal amount of Credit Facility, Interest and any other monies due and payable by the Borrower to CFIL in accordance with Schedule III of this Agreement.
- (k) "Events of Default" means and includes the happening of any one or more events of default as stipulated in clause 5 of this Agreement.
- (l) "Guarantor" means and includes the person guaranteeing the repayment of the entire loan/credit facility amount, jointly and/or severally with the borrower.
- (m) "Interest" means and includes the rate of interest chargeable by CFIL from the Borrowers on the Credit Facility as mentioned under this Agreement.
- (n) "National Electronic Funds Transfer" or "NEFT" is an Indian system of electronic transfer of funds from one bank or bank branch to another.
- (o) "Outstanding Balance" means the balance of the Credit Facility including amounts in respect of any other financial facility, outstanding and unpaid along with interest, costs, charges and expenses in relation thereto.
- (p) "Prepayment" means premature repayment of the Credit Facility by the Borrower as mentioned under this Agreement.
- (q) "Real-time gross settlement systems" or "RTGS" are specialist funds transfer systems where the transfer of money or securities takes place from one bank to another on a "real time" and on a "gross" basis.
- (r) "Repayment" means and includes repayment of all dues in respect of the Credit Facility which shall be construed to include principal amount of Credit Facility, Interest, all taxes, levies, charges, legal fees, expenses and costs, etc., provided for in this Agreement.
- (s) "Standing Instruction (SI)" means and includes onetime written instruction provided by the Borrower for debiting their account towards the regular payment of EMIs".

1.1 LOAN AMOUNT, INTEREST AND REPAYMENT;

Subject to the other terms and conditions herein contained, CFIL shall grant to the Borrower the said Credit Facilities, particulars whereof are given in the Schedule IH.

- 1.2 It is agreed by and between the parties that, where the Credit Facility is being availed for purchase of an Used Asset, the Credit Facility shall be disbursed by CFIL directly to the owner/seller of the Used Asset or to the dealer as confirmed by the Borrower in writing to CFIL and such disbursement shall be deemed to be disbursement to the Borrower and where the Credit Facility is being availed against Asset owned by the Borrower, the amount of the loan shall be disbursed by CFIL to the Borrower.
- 1.3 (A) The Borrower shall represent, warrant and assure to make regular payment of installments consisting of the principal and interest thereon under the said Credit Facilities. The Borrower acknowledge their full understanding about the amortization details such as interest rate, number of installments, due dates and amounts in respect of the installments are specified in the Schedule III hereto. The repayment schedule is without prejudice to the right of CFIL, to be paid on demand, the entire Credit Facilities along with other dues. The said Credit Facility under this Agreement shall come to an end only upon CFIL having, to its satisfaction received all outstanding dues and payments required to be made to CFIL.
- (B) The Borrower shall, in addition to interest, pay or reimburse to CFIL, as the case may be, interest tax and any other tax or levy as may be levied on or in respect of the interest payment under these presents. The Borrower shall bear all such taxes and duties which are payable and/or may be levied from time to time by the Government or any other Authority and/or payment to be made by the Borrower.
- (C) The Borrower shall on or before the date of the disbursal of the said Credit Facility pay to CFIL non-refundable service charges/processing fees at the rate mentioned in the Schedule III hereto.
- (D) The annualized rate of interest as mentioned in the Schedule III is fixed and is computed with monthly rests on the balance outstanding and charged on reducing balance of principal outstanding amount, provided that the rate of interest payable by the Borrower shall be subject to the changes in interest rates made by the Reserve Bank of India (RBI) from time to time.
- 1.4 The Borrower agrees that the said Credit Facility shall be repayable by the Borrower on demand and that CFIL can, at any time, in its sole discretion, recall the said Credit Facility by giving to the Borrower seven working days' notice in writing. However for the sake of convenience the Loan amount and the interest thereon shall be repaid in equated monthly installments (EMI) as per the details specified in Schedule III. It is however specified that this repayment schedule is without prejudice to CFIL's aforesaid right to recall the entire Credit Facility and to be paid on demand the said entire Credit Facility along with all other dues in respect thereof or arising in pursuance thereof.

For Citicorp Finance (India) Ltd

X2

Y2

Borrower

Guarantor

Authorised Signatory

- 1.5 Strict compliance with the repayment schedule is an essential condition for the grant of this Credit Facility. All sums payable under this agreement shall be paid in full without set-off or counterclaim or any restriction or condition and free and clear of any Taxes or other deductions or withholdings of any nature, except to the extent that is required by applicable law to make payment subject to any Taxes.
- 1.6 In the event the Borrower commits a default in the payment of sum due hereunder, whether by way of repayment of the outstanding balance of the said Credit Facility or by way of payment of interest or any other payment due and payable by the Borrower or the Borrower commits any breach or default of any other condition of this Agreement or under any other instrument in respect of the said Credit Facility, the Borrower shall, in respect of the outstanding amount and in respect of interest or other amount in default, pay, by way of liquidated damages, additional interest at the rate specified in the Schedule III, from the date of default till the date of payment. The Borrower expressly agrees that the rate of such additional interest is a fair estimate of the loss likely to be suffered by CFIL by reason of such delay/default on the part of the Borrower. The payment of additional interest shall not absolve the Borrower of any other obligations in respect of such default or affect any of the other rights of CFIL in respect of the default including the right of gaining full and complete possession of the said assets hypothecated by the Borrower/Guarantor for which the Credit Facility is taken. It is expressly specified that the above is in addition to and CFIL expressly reserves all other rights that may accrue to CFIL on any default by the Borrower. In addition, and without prejudice, to what is stated above, the Borrower shall also be liable for all costs, charges and expenses which CFIL may pay or incur in any way resulting from the foregoing defaults and from exercise of CFIL remedies including expenses incurred on repossession or storage or sale or disposal of the assets and legal cost on full indemnity basis thereof all of which are hereinafter collectively referred to as the "balance due to CFIL".
- 1.7 **REPAYMENT INSTRUCTIONS:**
All the payments, if CFIL so decides may be collected through post-dated cheques handed over at the office of CFIL towards any balance due to CFIL and submission of such post-dated cheques shall be deemed to be an unconditional and irrevocable authority given by the Borrower to CFIL to present the cheques delivered in advance on their respective dates.
- 1.8 **The Borrower may also repay the Credit Facility through any of the following mode:**
a) Automated Clearing House (ACH)
b) Electronic Clearance Service (ECS); or
c) Real Time Gross Settlement Systems (RTGS)
d) National Electronic Funds Transfer (NEFT)
or any mode approved by CFIL from time to time.
Cash as a mode of payment will not be accepted by CFIL.

The Borrower undertakes that his consent to participate in the ACH/ECS/SI mode for payment of the EMIs shall not be revoked during the tenure of this Agreement except with the approval of CFIL. In case the Borrower revokes his consent to participate in the ACH/ECS/SI mode it may be presumed that the same has been done to cheat CFIL and therefore, will make the Borrower liable for criminal action under the laws applicable for the time being in force.

If any cheque/ Electronic Funds transfer instruction given by the Borrowers to CFIL is dishonoured for any reason whatsoever then without prejudice to CFIL's other rights, whether under Negotiable Instruments Act, the Indian Penal Code, The Payment and Settlement Act or otherwise howsoever, for every instance of such dishonour the Borrower shall be liable to pay CFIL, charges as specified in the Schedule III hereto. It is also further agreed and understood that non-presentation of the cheque/ Electronic Funds transfer or any of them on the part of CFIL for any reason whatsoever, shall not in any manner affect the liability of the Borrower. If any or more than one or all of the post-dated Cheque/s / Electronic Funds transfer instruction delivered to CFIL by the Borrowers pursuant to the above clauses is/are lost, destroyed or misplaced while in the custody of CFIL; or become non-encashable due to death, insolvency, lunacy, termination of authority or otherwise of the signatory or any or more of the signatories (if more than one) or the liquidation of the drawee Bank or any moratorium or requires replacement for any reason for whatsoever in the discretion of CFIL, then in that event, the Borrowers shall within three working days of receipt of such intimation from CFIL substitute/replace any such cheques/ Electronic Funds transfer instruction with a fresh Cheque/s/ Electronic Funds transfer instruction payable on the same day and for the same amount as the previous Cheque/s/ Electronic Funds transfer instruction which is/are being substituted.

CFIL may consider a request of the Borrowers not to take full Post Dated Cheques as stated above for all the installments instead but take only few cheques which can be used in case of any outstanding payment of dues under this agreement by the Borrowers.

CFIL shall be entitled to present the cheques/ Electronic Funds for the entire tenure or till prepayment of the Credit Facility, notwithstanding any advance/ excess payment made in the loan account. The Borrowers under no circumstances will claim any interest for any advance/ excess payment made in respect of the said Credit Facility.

If the Borrower pays any amount to the Lender before the due date of the EMI, the Lender shall be entitled to appropriate the same in such manner as it deems fit and the credit in respect of such excess payment shall be given by the Lender to the Borrower only on the due date of the EMI.

- 1.9 The Borrower agree, that notwithstanding any specific instructions issued by the Borrower, CFIL will have absolute discretion to appropriate any payment received from the Borrower in the order that CFIL deems fit, in the following manner/chronology:
- (i) cost, charges and expenses incurred by CFIL
 - (ii) additional interest
 - (iii) dues payable by Borrower under any other agreement entered with CFIL as Borrower/Guarantor
 - (iv) repayment of interest.
 - (v) repayment of principal.

If the Borrower pays any amount to the Lender before the due date of the installment, CFIL shall be entitled to

For Citicorp Finance (India) Ltd

X3

Borrower

Y3

Guarantor

Authorised Signatory

UG3

appropriate the same in such manner as it deems fit and the credit in respect of such excess payment shall be given by CFIL to the Borrower only on the due date of the installment.

- 1.10 All repayments to be made under this agreement by the Borrower shall be made at the Place specified in the Schedule III hereto. "(Repayment schedule)".
- 1.11 The Borrower(s) and the Guarantor(s) hereby agree to execute and give to CFIL Demand Promissory Notes in respect of the various amounts payable from time to time under this Agreement and they further agree that CFIL shall be entitled to negotiate the said promissory note/s and/or to sue upon the same.
- 1.12 In cases where the end use of a single credit facility is intended to be utilized for acquiring more than one asset by the borrowers, it is specifically understood agreed and accepted by the Borrowers that, in addition to the specific hypothecation of each such asset, CFIL will for its accounting purposes be reflecting/subdividing the aforesaid credit facility into separate sub accounts for each such assets financed. It is further agreed that any payment made by the borrowers to CFIL shall be apportioned by CFIL proportionately (either in full or in part) in each of the said sub-account in the manner and ratio as decided appropriate at the sole discretion of CFIL.
- 1.13 It shall be the Borrower's obligation to keep acquainted with the rules of CFIL, in force from time to time. Any changes to the Schedule of charges/ terms of this Agreement pursuant to changes in applicable laws/ rules/ regulations/ market forces shall be communicated to the Borrower in case of account specific changes, and in case of others, the same will be available with the branch, and also published on the website of CFIL at www.citicorpfinance.co.in.

2. REPRESENTATION BY THE BORROWER

- 2.1 The Borrower hereby declares, represents and warrants that:
- a. he/she /it is aware that CFIL is granting the said Credit Facilities on the basis of the information and representation made by him/her in loan application form and on the faith of the representations made by the Borrower and believing the same to be true.
- b. that all information given in the application form for the Loan facility and the supporting documents is absolutely correct and is devoid of any misrepresentation, either directly or indirectly or otherwise has been made.
- c. that all the necessary approvals for availing of the said Credit Facilities have been obtained and that the Borrower will at all times till the amount due to CFIL are paid in full and the said Credit Facilities fully repaid, keep all such permissions valid and subsisting.
- d. The officer of the Borrower executing this Agreement and the documents executed in pursuance hereof, is fully authorised to execute the same and are duly and properly executed.
- e. This Agreement and the documents to be executed in pursuance hereof, when executed, will constitute valid and binding obligations of the Borrower;
- f. It has not taken any corporate action nor have any steps been taken or legal proceedings been initiated or threatened against the Borrower for its winding up, dissolution, administration, reorganization or for appointment of receiver, administrator of the Borrower or all for any of its Assets or undertakings;
- g. As of the date of this Agreement, there is no litigation, proceedings or dispute pending or threatened against the Borrower, the adverse determination of which might substantially, affect the Borrower's ability to repay the Credit Facility as described in the Schedule I or have a materially adverse effect on the financial condition of the Borrower.
- h. The execution of this Agreement and the performances of its obligations hereunder does not.,
- 1) contravene any applicable law, statute or regulation or any judgement or decree to which the Borrower is subject,
- 2) conflict or result in any breach of any covenants, conditions and stipulation under any existing agreement, to which the Borrower is a party,
- 3) conflict or contravene any provision of the Memorandum and Articles of Association of the Borrower;
- I. 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 CFIL taken place since the date of 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.
- j. The Borrower shall be exclusively responsible for getting the delivery of the Asset from the manufacturer/dealer. CFIL shall not be liable for delay and delivery/disbursement, any demurrage cost or the quality/condition/fitness of the Asset. The Borrower absolves CFIL from any liability in respect of the above and that the Borrower shall not withhold payment of stipulated EMIs on the pretext that the Asset has not been delivered.
- k. The Borrower shall be liable to pay or reimburse CFIL all payments and expenses including costs of collection of monthly installments legal costs, fees and costs to take possession, store, insure and sell the Asset as and when incurred by CFIL. The Borrower shall also be liable for expenses incurred by CFIL along with interest while pursuing any remedy under the Negotiable Instrument Act, Criminal Procedure Code or under any other applicable laws.
- l. The Borrower shall get the name of CFIL endorsed as a financier in the Registration Certificate issued by the Transport authorities for the hypothecated Asset. The Borrower shall handover a copy of the Registration certificate within 60 (sixty days) of the execution of this Agreement.
- m. If the Asset/s are of the nature that they cannot be registered under the Motor Vehicle Act, then the original invoice pertaining to the Asset would be deposited with CFIL and the same will remain in custody of CFIL till the time CFIL receives the entire dues in respect of this Agreement to its satisfaction.
- n. Neither the Borrower nor any one on the Borrower's board (in case of a company) or a partner (in case the Borrower is a partnership firm) is someone who has been identified as a willful defaulter by the RBI.
- o. The Borrower shall be liable to pay or reimburse CFIL all payments and expenses including costs of collection of monthly installments legal costs, fees and costs to take possession, store, insure and sell the vehicle as and when incurred by CFIL. The Borrower shall also be liable for expenses incurred by CFIL along with interest while pursuing any remedy under the Negotiable Instrument Act, Criminal Procedure Code or under any other applicable laws.
- p. that the proceeds of the Credit Facility shall not be used for any other purposes, as may be specifically prohibited by law and/or regulations applicable in India.
- q. The Credit Facility shall be used solely for the purpose of purchase of the said Asset/s.
- r. The Borrower shall inform CFIL the chassis number/engine number/invoice number/serial/s/

For Citicorp Finance (India) Ltd

X4

Y4

Borrower

Guarantor

Authorised Signatory

machine number/registration number of the said Asset/s after receipt/installation of the same and authorizes CFIL to fill up the said chassis number/engine number/invoice number/serial number/s/machine number/s/registration number of the said Assets in this Agreement after receipt of such information either from Borrower/Dealer/Manufacturer/RTO and the Borrower shall not challenge the incorporation of such chassis number/engine number/invoice number/serial number/s/machine number/s/registration number or any other agreed modification in this Agreement on any ground whatsoever. The Borrower also agreed that such modification and/or insertion of the Used Asset(s) details as provided, shall not invalidate this Loan Agreement and/or any of the terms and conditions of the said Loan Agreement.

2.2 The representations and warranties in clause 2.1 above shall be deemed to be repeated by the Borrower on and as of each day from the date of this Agreement until all the moneys due or owing hereunder by the Borrower to CFIL have been repaid in full as if made with reference to the fact and circumstances existing on such day.

2.3 The Borrower shall be exclusively responsible for getting the delivery of the said Asset from the manufacture/dealer/seller or registering the Asset with the appropriate authority and obtain a registration certificate for the Asset, if applicable. CFIL shall not be liable for delay in delivery, any demurrage cost or the quality/condition/fitness of the said Asset or non-registration/non-availability of the registration certificate, if required as per Applicable Laws. The Borrower absolves CFIL from any liability in respect of above and that the Borrower shall not withhold payment of stipulated EMIs on the pretext of the above situation or otherwise.

3. TERMS OF HYPOTHECATION:

3.1 In consideration of CFIL having agreed to sanction the said Credit Facility the Borrower hereby hypothecates to, and charges in favour of CFIL as and by way of a first charge thereon, the Assets described in general terms in the Schedule II hereto (which are hereinafter collectively referred to as the "Hypothecated Assets") for the payment to CFIL of all monies at any time due and payable by the Borrower to CFIL in respect of the said Credit Facility, including the outstanding balance of the said Credit Facilities, as also the monies due on all Bills of Exchange, promissory notes or other negotiable instruments which CFIL may have discounted or become interested in as also all interest, costs, charges and expenses (including legal cost on full indemnity basis which CFIL may pay or incur in any way in connection with the said Credit Facility or the said Hypothecated Assets or the repossession or storage or sale or disposal thereof) all of which are hereinafter collectively referred to as the "balance due to CFIL". Any additions, improvements or attachments to the said Hypothecated Assets whether made and 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 CFIL shall be deemed to constitute as part of the Hypothecated Assets and shall be subject to the terms and conditions of this Agreement in the same manner and to the complete and total extent as the Hypothecated Asset prior to such addition/improvement or attachment.

3.2 The hypothecation shall be deemed to take place immediately on signing of this Agreement. In the event the Hypothecated Asset is treated as 'Motor vehicle' or vehicle under the provisions of the Motor Vehicles Act, 1998, the Borrower shall get an endorsement on the registration certificate that such vehicles are hypothecated with CFIL.

3.3 The Borrower further agrees that the Hypothecated assets shall also be security for (a) all other monies that may be due and payable by the Borrower to CFIL for all other credit facilities obtained by the Borrower from CFIL, whether present or future, including the liability of the Borrower in any other capacity either singly by the borrower or along with any other person and (b) the credit facility/facilities to be granted/continued to the group companies/associate of the Borrower as declared.

3.4 The Borrower agrees with, and undertakes to CFIL that CFIL shall have an exclusive charge over the hypothecated assets and that the Borrower shall not create any manner of interest in the Hypothecated assets or any of them in favour of any other person or body, except with the prior written consent of CFIL. The charge/security created by the Borrower under this agreement shall continue and remain in force till such time all other dues under this agreement and in respect of other loan facility obtained/to be obtained at the instance of the borrower from CFIL are fully discharged and CFIL issue a Certificate of Discharge. The security created under this agreement and the liability of the Borrower shall not be affected, impaired or discharged by winding up (voluntary or otherwise) or by any merger or amalgamation, reconstruction, takeover of the management, dissolution or nationalization (as the case may be) of the borrower. The borrower covenants that the security provided by him shall remain valid for the balance due to CFIL or any other financial benefits given by CFIL at the instance of the Borrower.

3.5 The Borrower undertakes to further secure the said Credit Facility/facilities and create such further security and execute such other documents as may be required by CFIL from time to time in regard to the said Credit Facility/Facilities.

3.6 The Borrower hereby declares that all the present Hypothecated Assets are the absolute property of and are at the sole disposal of CFIL and free from any charge or encumbrance of any nature whatsoever and that the future Hypothecated Assets shall be likewise the sole unencumbered, absolute and disposable property of the Borrower.

3.7 (i) The Borrower shall 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 insured to the extent of the full market value thereof against loss or damage from fire, civil commotions, lightning, riot, war, theft, pilferage, third party liabilities and such other risks as CFIL may direct. The Borrower shall duly and punctually pay all the premium on such policies as and when due and shall produce to CFIL for inspection of the original receipts and furnish duly certified copies thereof for CFIL's record. The Borrower shall ensure that such policies are kept alive during the subsistence of this security and the Borrower shall not do or permit to be done anything by reason of which such insurance may be cancelled. The Borrower shall assign to CFIL every such policy of insurance and shall pay to CFIL all proceeds of any policy received by the Borrower.

(ii) In the event the Borrower fails to fulfil its obligations aforesaid, CFIL, may at its discretion, pay such rents and outgoings and insure the premises or garages and the Borrowers hereby undertakes to reimburse CFIL all monies so paid by CFIL for the purpose. The reimbursement shall be made on demand by CFIL and in default of such payment CFIL shall be at liberty to debit the amount so paid to the Account of the Borrower with CFIL and such amount shall thereafter carry interest at the rate specified in the Schedule III hereto.

For Citicorp Finance (India) Ltd

X5

Borrower

Y5

Guarantor

Authorised Signatory

UG5

- 3.8 (a) The Borrower shall keep the Hypothecated Assets fully and comprehensively insured from time to time against all risks such as accident, fire, lightening riots, civil commotion, war, theft, pilferage, third party liabilities and such other risks as may be stipulated by CFIL from time to time, to the extent of full market value thereof. The insurance shall be in joint names of the Borrower and CFIL and the original policies of insurance and renewal notes shall be deposited with CFIL. The Borrower shall duly and punctually pay all the premia on such policies as and when due and shall produce to CFIL for inspection the original receipts and furnish duly certified copies thereof for CFIL record. The Borrower shall ensure that such policies of insurance are kept alive during the subsistence of this security and the Borrower shall not do or permit to be done anything by reason of which such insurance may be cancelled.
- (b) On default of the Borrower to keep the Hypothecated Assets insured as aforesaid, CFIL may, at its discretion, but without any obligation to do so, effect insurance of the Hypothecated Asset and/or pay the premia in respect thereof and the Borrower hereby undertakes to reimburse CFIL on demand all the amounts paid and/or incurred by CFIL in doing so and on default of payment of such amounts by the Borrower, CFIL shall be at the liberty to debit such amounts to the accounts of the Borrower with CFIL and such amounts shall carry interest at the same rates as provided in the Schedule III hereto.
- (c) The first claim on any insurance proceeds shall be that of CFIL. The Borrower hereby irrevocably authorizes CFIL to claim insurance proceeds to safeguard the interest of CFIL and appropriate the proceeds thereof against liability of the Borrower to CFIL under these presents. If any amount is received from an Insurance Company under any policy or policies of insurance, the amount so realized may, at the sole discretion of CFIL, be utilized in replacement/repair of the lost or damaged Hypothecated Assets or in liquidation of the liability of the Borrower to CFIL under these presents.
- (d) 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 by the Government, Municipal, Regional Transport Authority or any other Statutory / Regulatory Authority.
- 3.9 The Borrower shall keep and maintain the Hypothecated Assets in good condition at the cost and risk of the Borrower in all respects and the Borrower shall be liable for any loss or damage caused to the Hypothecated Assets for any reason whatsoever, including theft, damage by weather and deterioration in quality.
- 3.10 The Borrower shall not encumber or transfer the Hypothecated Assets in any manner whatsoever without the express consent in writing of CFIL. The Borrower undertakes to get the registration certificates wherever required of each Hypothecated Asset endorsed with the name of CFIL to further express the fact that such assets stand hypothecated to CFIL. Any direct or indirect transfer of the Hypothecated Asset would be deemed to be criminal breach of trust and a case of cheating entitling CFIL to inter-alia adopt criminal proceedings against the Borrower as per applicable laws of India.
- 3.11 The Borrower shall, as on the last day of each month, furnish to CFIL statements regarding the Hypothecated Asset such as full description thereof, market value, the place or places where they are parked or whether they are in transit and if so the details thereof. Such statements shall be delivered to CFIL within 10 working days from the date to which the statement relates and shall be authenticated by an authorized official of the Borrower. The statements shall be in such form as may be prescribed by CFIL from time to time and supported by such evidence as may be required by CFIL. In addition, the Borrower shall furnish to CFIL, as and when required by CFIL so to do, such information regarding the Hypothecated Assets and about the Borrower's business, as may be required by CFIL.
- 3.12 If so required by CFIL, the Borrower shall cause to be displayed at all places whereby any of the Hypothecated Assets may be kept, sign boards prominently indicating that such assets are hypothecated to CFIL, the sign boards to be displayed in such manner and form as may be required by CFIL.
- 3.13 (a) The Borrower hereby declares that all the Hypothecated Assets are free from any encumbrance whatsoever and past encumbrances, if any, have been fully cleared to the complete satisfaction of the person in whose favour such encumbrance was created. The Borrower further declares that the said Hypothecated Assets and all documents relating thereto shall be held in trust by the Borrower for CFIL.
- (b) The Borrower shall ensure that no charge or encumbrance is created on the Hypothecated Assets or any of them and that nothing is done that may adversely affect the security created hereby on the Hypothecated Assets in favour of CFIL.
- 3.14 (a) The Borrower covenants with CFIL that the Borrower shall appraise CFIL of the occurrence or likely occurrence of any event which is likely to affect the capacity of the Borrower to repay the said loan or interest thereon or likely to affect the security for the said Credit Facilities or the obligations of the Borrower to CFIL in respect of the said Credit Facilities.
- (b) Without prejudice to the generality of the provisions contained in the preceding sub-clauses, the Borrower hereby agrees with, and undertakes to, CFIL that the Borrower shall forthwith inform CFIL on the occurrence or likely occurrence of, inter alia, any of the following events, namely,
- (i) Institution of any legal proceedings against the Borrower by any persons making a claim for money against the Borrower, or enforcing against the Borrower any guarantee given by the Borrower.
 - (ii) Any damage to the Hypothecated Assets for any reason whatsoever;
 - (iii) Any distress or other proceedings of court being taken against Hypothecated Assets;
 - (iv) The occurrence of any event which is likely to affect the Borrower's business, including industrial action steps taken by authorities for recovery of statutory dues, etc.
 - (v) If there is a change in constitution of ownership of the Borrower which in the opinion of CFIL is adverse.
- 3.15 Notwithstanding anything herein contained, CFIL shall have a lien over all the Hypothecated Assets of the Borrower and a right of set off against any monies due from CFIL to the Borrower and to combine all accounts of the Borrower for recovery of CFIL's dues.
- 3.16 (A) The Borrower hereby agrees and appoints CFIL and its officers and authorised representatives to be its duly constituted attorneys for all or any of the following purposes, namely:
- (i) To enter any place where any of the Hypothecated Assets may be and inspect and value them;

For Citicorp Finance (India) Ltd

X6

Y6

Borrower

Guarantor

Authorised Signatory

- (ii) To take possession of all or any of the Hypothecated Assets and/or the documents relating thereto from whomsoever they may be in possession of including the contents therein and to dispose them of immediately if they are dangerous and perishable in nature;
 - (iii) To sell any of the Hypothecated Assets for and on behalf of the Borrower and at the risk of the Borrower in all respects and to realize full or any part or portion of the sale proceeds thereof.
 - (iv) To take all such steps as may be required for the recovery of any of the Hypothecated Assets, including the institution of any claim, suit, petition or other legal process and the signing and execution of all necessary vakalatnamas and documents for the said purpose and the compromising or settlement of such suit or action.
 - (v) Generally to do, perform and execute or cause to be done, performed or executed all acts, deeds, matters, things and documents in all matters arising under or out of or concerning or touching these presents as the Borrower could itself do, perform or execute.
 - (vi) And for the better and more effectually doing, effecting and performing the several matters and things aforesaid to appoint from time to time or generally such other persons, bodies, companies, organisations or agencies as CFIL may think fit as its substitute or substitutes to do, execute and perform all or any such acts and things as aforesaid and such substitute or substitutes at pleasure to remove and to appoint other or others in his or their place.
- (B) The Borrower agrees that the above powers may be exercised without any prior notice to the Borrower and further agrees to ratify and confirm all that CFIL or any substitute or substitutes appointed by CFIL may lawfully do or cause to be done in exercise of the aforesaid power.
- (C) The Borrower further agrees to give all assistance to CFIL and its officers and authorized representatives for the purpose of exercising any of the powers herein above set out, including endorsing of documents, signing of papers and doing all such things as may be necessary to enable CFIL and its officers to exercise all the powers hereby conferred.
- (D) The Borrower further agrees that the aforesaid powers have been granted for valuable consideration and as such shall be irrevocable in nature till such time as any amounts remain due, owing or payable under or in respect of or in pursuance of the said Credit Facilities and/or these presents.
- 3.17 The Borrower further agrees that CFIL shall not be required to continue the said Credit Facility otherwise than at its sole discretion and that it will be entitled to terminate the said Credit Facility at any of time without any prior notice to the Borrower.
- 3.18 The Borrower undertakes to get the endorsement of hypothecation done in the registration book with the appropriate authority. The Borrower further undertakes to get the charge created herein registered with the Registrar of Companies under relevant provisions of the Companies Act, 2013.
- 3.19 The Borrower shall produce the Asset before CFIL whenever called upon by CFIL to do so, to enable CFIL to take inspection of the said Asset. The Borrower further agrees that CFIL and its authorized representatives, servants and agents shall be entitled to take inspection of the said Asset at all times and shall for the purpose thereof entitled without any notice, to enter upon the premises, godowns or garages where the Hypothecated Assets are lying or kept and if necessary to break any such place of storage.
- 3.20 The Borrower is aware that and expressly agrees that the breach of any of the terms of this Agreement would amount to a criminal offence and that CFIL shall be entitled to criminally prosecute for all or any of such breach or breaches as the case may be.
- 3.21 The Borrower hereby irrevocably appoints and constitutes CFIL to be its attorney (with full power of substitution) and act in its name or otherwise on its behalf and sign, seal, execute, deliver, perfect and to do all deeds instruments acts and things which may be required or which CFIL shall think proper or expedient for carrying out any obligations imposed on the Borrower hereunder or for exercising any of the powers hereby confirmed or in connection with any sale or disposition or enforcement action of, or exercise of steps in rights in connection with the said Hypothecated Asset or any part thereof.
- 4. GUARANTEE**
- i. In consideration of CFIL having advanced the Credit Facilities as per Schedule I to the Borrower, the Guarantor (s) hereby agrees/agree and undertakes/undertake that in the event that the Borrower fails, neglects or refuses for any reason whatsoever and howsoever to repay and/or is unable to pay any of the installments or amounts due and payable under this Agreement, the Guarantor (s) does/do hereby guarantee and undertake to pay to CFIL the said defaulted installments along with any penalties, costs, charges, commission, expenses and statutory dues, if any, in full on the first demand by CFIL and upon CFIL notifying to the Guarantor (s) of such defaults by the Borrower, without any demur or protest or contest and without any reference to the Borrower, unconditionally and without raising any objection or issue whatsoever and irrespective of or notwithstanding any dispute or difference in respect of the said amounts falling due to CFIL. In the event the Guarantor (s) fails to perform the above obligation, CFIL reserves the right to repossess any Asset of the Guarantor(s) which is mortgaged/ Hypothecated/charged to CFIL towards liquidation of the outstandings of the Borrower. Any amounts thus payable by the Guarantor (s) to CFIL will be paid at the address of its branch as mentioned at the end of this Agreement.
- iii. The Guarantor (s) shall forthwith repay CFIL all such amounts, within 7 days from date of a notice from CFIL stating the default through registered post/courier/fax/authenticated telex or cable. The Guarantor (s) hereby agrees/agree that the entries in the books/computer records kept in the ordinary course of business by CFIL with regard to the amounts due from the Borrower and with regard to the installments, costs and expenses debited to the Borrower's account shall be conclusive evidence against the Borrower and the Guarantor(s) of the transactions and matters therein appearing and of the Borrower's/Guarantors(s) liability for the sums shown to be due by such entries.
- iv. The Guarantor (s) hereby consent/consents to CFIL:
- (a) Making any variations that CFIL may think fit in the terms of this Agreement with the Borrower;
 - (b) Determining, enlarging or varying any contract with the Borrower;
 - (c) Making any compositions with the Borrower;

For Citicorp Finance (India) Ltd

X7

Borrower

Y7

Guarantor

Authorised Signatory

UG7

- (d) Promising to give time to the Borrower or not to sue the Borrower;
- (e) Parting with any security that CFIL may hold in respect of the said Credit Facilities.
- v. The Guarantor(s) also agrees/agree that it/they shall not be discharged from its/their liability by CFIL releasing the Borrower or by any act or omission of CFIL the legal consequences of which may be to discharge the Borrower or by any act of CFIL which would, but for this present provision, be inconsistent with the Guarantor(s) rights as sureties or by CFIL's omission to do any act which but for this present provisions, CFIL's duty to the Guarantor(s) would have required CFIL to do. Though as between the Borrower and the Guarantor(s), the Guarantor(s) is/are a surety only, the Guarantor(s) agrees/agree that is between CFIL and the Guarantor(s), Guarantor(s) is/are a principal debtor/debtors jointly with the Borrower and accordingly the Guarantor(s) shall not be entitled to any of the rights conferred on sureties by Section-133, 134, 135, 139 and 141 of the Indian Contract Act.
- vi. The Guarantor(s) agrees/agree that if the Borrower shall be found not to be liable to CFIL in law for the installments or any other charges due to CFIL from the Borrower by reason of his incapacity to borrow or to contract or insolvency or for any other reason, the Guarantor(s) shall nevertheless be liable as principal debtors to pay to CFIL all the sums that would have been recoverable by CFIL from the Guarantor(s) as Guarantors, if the Borrower had been liable for the installments and other charges and dues.
- vii. The Guarantor(s) hereby declares/declare that this guarantee is in addition to, and not by way of limitation of, or substitution for, any other guarantee or guarantees that the Guarantor(s) may have previously given or may hereafter give to CFIL (whether alone or jointly with any other party or parties) and that this guarantee shall not revoke or limit any such other guarantee or guarantees.
- viii. The Guarantor agrees and declares that CFIL shall not be bound and compelled to take any proceedings, steps or action against the Borrower for recovery, enforcement or realization of any of their dues from the Borrower or against the said Asset including repossessing the same under or pursuant to this Agreement and the Guarantor shall be bound and liable to pay all monies payable under and by virtue of this Guarantee notwithstanding that CFIL shall not have taken any step or proceeding against the Borrower.
- ix. It is further expressly clarified that this guarantee is irrevocable guarantee having been granted for valuable consideration and shall come into effect simultaneously with the signing of this Agreement.
- x. The Guarantee shall remain in full force and will be valid till the complete discharge of all liabilities of the Borrower under this Agreement as also all costs, commissions and charges hereunder.
- xi. The Guarantor(s) agree that they are jointly and/or severally liable under the terms of the guarantee. The Guarantor in relation to CFIL is and shall be a principal obligator in respect of all obligations, liabilities and responsibilities undertaken in favour of CFIL under this guarantee and CFIL shall be entitled to proceed against the Guarantor as if the Guarantor was the principal debtor of CFIL in respect of all obligations and payments guaranteed by the Guarantor.
- xii. The address/addresses of the Guarantor(s) for the purpose of service shall be that mentioned at the end of this Agreement.
- xiii. The Guarantor(s) shall stand discharged of its/their/his obligations of CFIL receiving all amounts due, owing and payable to CFIL under or in pursuance of the terms of this Agreement.

5. EVENTS OF DEFAULT:

The Borrower shall be deemed to have committed an act of default on the happening of, inter-alia, any one or more of the following events, namely:

- (a) Failure to make payment to CFIL of any part of the loan amount on demand or any other rate or charge due and payable under these presents or in respect of the said Credit Facilities.
- (b) The Borrower misusing the said Credit Facilities or any part thereof for any purpose other than for which the said Credit Facilities have been sanctioned.
- (c) The Borrower creating any manner of interest in the Hypothecated Assets or any part thereof.
- (d) The representations made by the Borrower being found to be untrue in any manner, whatsoever.
- (e) The Borrower committing a breach of any of the terms, covenants and conditions herein contained.
- (f) The Borrower committing a default in respect of any of the other obligations of the Borrower towards CFIL either under this Agreement or any other Agreement and/or under the law or otherwise howsoever.
- (g) The Borrower fails or neglects to observe, perform, adhere to and comply with or commits a breach of any of the terms and conditions of this Agreement or of any other agreement entered into by the Borrower with CFIL, and the Borrowers part to be observed, performed, adhered to or complied with.
- (h) The Borrower committing a breach of any other agreement entered into by the Borrower with CFIL.
- (i) Any of the group companies/associates of the Borrower defaulting in the terms of any of the agreements entered into between any of them and CFIL.
- (j) The Hypothecated Assets or any part of portion thereof, being confiscated, attached or taken into custody by any authority or becoming the subject of any legal proceedings;
- (k) An insolvency notice or a winding-up notice is served on the Borrower or a receiver is appointed or attachment is levied on any of the Borrower's properties or Assets; or
- (l) The Hypothecated Assets or any part of them are distrained, endangered or damaged or bodily injury is caused to any third party by an accident involving the Hypothecated Asset or otherwise, or
- (m) The Hypothecated Asset or any of them or stolen or is/are a total loss in the opinion of CFIL, or
- (n) Whenever in the absolute discretion of CFIL there is a likelihood of the due money not being paid and or the Hypothecated Assets or any of them are likely to be transferred to defeat the security and the due amounts of CFIL.
- (o) On CFIL being informed or in the event that information comes to the knowledge of CFIL that there is a change in the management and/or constitution of the Borrower or that there is likely to be a change in the management and/or constitution of the Borrower and such change in the opinion of CFIL would adversely affect the interest of CFIL.
- (p) There are existing any other circumstances which in the sole opinion of CFIL, jeopardise CFIL's interests.
- (q) The Borrower transporting goods generally not permitted by law and/or indulging any illegal activity with the aid of the Hypothecated Asset.
- (r) The Borrower fails to produce the Asset for inspection or verification thereof or making valuation by CFIL or its officers, auditors, technical experts, management consultant, valuers or any other person authorized for the purpose by CFIL.
- (s) Any instructions given by the Borrower for stop payment of the post-dated cheques, for any reason whatsoever

For Citicorp Finance (India) Ltd

X8

Y8

Borrower

Guarantor

Authorised Signatory

- including instructions for revocation of instructions under ACH/ECS/ SI mode of repayment.
- (t) If without approval of CFIL the Asset and/or other security provided under this Agreement are sold, transferred, disposed off, charged, encumbered, alienated etc; or there is reasonable apprehension that the Borrower are likely to transfer, sell etc. the Asset and/or other security.
 - (u) Any defect/infirmity in the undertaking provided by the Guarantor which renders the undertaking ineffective/inoperative.
 - (v) The Borrower fails to pay insurance premium in respect of the Hypothecated Asset or garage and/or premises where the said Assets are stored or kept.
 - (w) The Borrower fails to pay any tax, levy, charge, outgoing or any other imposition or to comply with any other formalities required to be completed in respect of Hypothecated Assets under law from time to time.
 - (x) The Borrower fails to supply a copy of the registration certificate of the Hypothecated Asset to CFIL within the stipulated time as mentioned herein above.
 - (y) If the Asset/s are of the nature that they cannot be registered under the Motor Vehicle Act, then the non-deposit of the original invoice pertaining to the Asset.

6 CFIL'S RIGHTS ON DEFAULT:

- In the event of the Borrower committing any act of default, as aforesaid, then, notwithstanding anything to the contrary herein contained, CFIL shall be entitled at its absolute discretion, to interlia:
- (a) Call upon the Borrower to pay forthwith the outstanding balance of the said Credit Facilities together with interest and all sums payable by the Borrower under this Agreement.
 - (b) **REPOSSESSION OF ASSET:** To take possession of the hypothecated assets from wheresoever it may be and remove the hypothecated asset including all accessories, bodywork and fittings and for the said purpose, it shall be lawful for CFIL or CFIL authorized representatives, servants, officers and agents forthwith or at any time to enter upon the premises, or garage or godown where the hypothecated assets shall be lying or kept and to take possession or recover or receive the same. CFIL will be within its rights to use a tow-van to carry away the assets. Any damage to the land or building caused by removal or the asset shall be the sole responsibility of the Borrower(s).
 - (c) To take all necessary steps as fully and effectively as the Borrower could take to dispose off the said hypothecated Assets CFIL may give a written notice for payment of installments to the Borrower and the Guarantor if there is a default in any single payment of installment. Thereafter, if the Borrower continues in defaulting payments, CFIL may give another written notice to give one more opportunity to the Borrower and the Guarantor and in the event of non-payment. CFIL may give a final recall notice to pay the entire outstanding dues together with all other monies in respect of the loan within 7 days of the said notice of recall before taking possession of the hypothecated assets and no such notice will be required in cases where borrower himself has waived notice or agrees to surrender the hypothecated asset(s). After seizure of the hypothecated assets, the Borrower will be given a final notice for repayment of the loan failing which the hypothecated assets will be put up for sale. If the borrower makes payment of the entire dues and outstanding amount, as demanded in the notice within the stipulated time as mentioned therein the hypothecated asset will be handed over/released to the borrower under a handover report. In case the Borrower fails to make such payment as mentioned hereinabove, the hypothecated assets will be sold after valuation by inviting market quotations through public auction and/or private treaty and thereafter the hypothecated asset will be sold to the highest/best price offered.
 - (d) In the event of there being a surplus available of the net proceeds after deduction of taxes levies, if any of such sale after payment in full of the balance due to CFIL, it shall be lawful for CFIL to retain and apply the said surplus together with any money or monies belonging to the Borrower for the time being in the hands of CFL in 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 from any of its group companies/associates/directors/promoter to CFIL, with any other person or persons firm or company by way of loans, discounted bills, letter of credit, Guarantees, charges or any other debts or liability including bills, notes, credits and other obligations current through not then due and payable or other demands legal or equitable which CFIL, may have against the Borrower or which the law of set-off or mutual credit would in any case admit along with interest thereon from the date on which any and all advance/s in respect thereof shall have been made at the rate or respective rates at which the same have been so advanced.
 - (e) That after crediting the net proceeds of the sale towards the outstanding dues of the Loan Facility of the Borrower, if there is any shortfall, then the Borrower and the Guarantor shall be liable to pay the shortfall to CFIL for closure of the said Loan Facility account.

7. CROSS LIABILITY:

- 7.1 The Borrower expressly accepts that if the Borrower fails to pay any monies when due or which may be declared due prior to the date when it would otherwise have become due or commits any other default under any agreement (including this Agreement) executed with CFIL under which the Borrower is enjoying any financial/credit/other facility; then in such event CFIL shall, without prejudice to any of its specific rights under each of the agreements, be absolutely entitled to exercise all or any of its rights under any of the Borrower's agreement (including this Agreement) with CFIL at the sole discretion of CFIL.
- 7.2 The Borrower/Guarantor acknowledges and accepts that any default in discharging his liabilities under any other agreements entered into/to be entered into with CFIL shall be deemed to be default under this agreement and vice versa entitling CFIL to recall this loan facility and/or all other loan/facility advanced to the Borrower by CFIL and CFIL shall in the event of such default, be entitled to exercise in its discretion any or all its rights under this agreement and/or other agreements entered into by the Borrower/Guarantor with CFIL. Further, it Is clarified that in the event of default in repayment of the Loan or any other financial facility by the Borrower, CFIL shall be entitled to create a charge over any other security provided by the Borrower/Guarantor in relation to any other loan facilities availed from CFIL.

8. CFIL'S RIGHT TO SELL/ASSIGN/DELEGATE/APPOINT:

- 8.1 It is agreed that the Borrower introduction, the credit rating and all other acts/steps/duties as are necessary for

For Citicorp Finance (India) Ltd

X9

Borrower

Y9

Guarantor

Authorised Signatory

UG9

CFIL to monitor the said Credit Facilities or any part or portion thereof and/or to recover the amount due to CFIL or any part or portion thereof shall/may be carried out by such other persons, company, body, organization or agency as may from time to time be appointed by CFIL in respect thereof and that CFIL will at all times be entitled to share with such other person, company, body, organization or agency that may thus be appointed by CFIL, all the documents statements of accounts and other information of whatsoever nature pertaining to the Borrower or the said Credit Facilities.

- 8.2 The Borrower expressly recognizes and accepts that CFIL shall be absolutely entitled and have full power and authority to sell, assign or transfer in any manner, in whole or in part, and in such manner and on such terms as CFIL may decide, (including reserving a right to CFIL to retain its power hereunder to proceed against the Borrower on behalf of the purchaser, assignee or transferee) any or all outstandings and dues of the Borrower to any third party of CFIL choice without any further reference or intimation to the Borrower. Any such action and any such sale, assignment or transfer shall bind the Borrower to accept such third party as creditor exclusively or as a joint creditor with CFIL as the case may be. Any cost in this behalf, whether on account of such sale, assignment or transfer or enforcement of rights and recovery of outstandings and dues, shall be to the account of the Borrower. Any such action and any such sale, assignment or transfer shall bind the Borrower to accept such third party as creditor exclusively or as a joint creditor with the CFIL, or as creditor exclusively with the right to the CFIL to continue to exercise all powers here under on behalf of such third party and to pay over such outstanding and dues to such third party and or to the CFIL as the CFIL may direct.

9. CFIL'S SERVICE PROVIDERS

It is agreed by the Borrower and the Guarantor that without prejudice to any rights of CFIL, all acts / steps as are necessary for CFIL to take in order to monitor the Credit Facility and its finalization and/or the obligations of the Borrower and the Guarantor compliance with the terms hereof and / or to recover amounts due to CFIL or any part or portion thereof, shall and/or may be carried out by and / or through such other person (including a company or body corporate) as may from time to time be appointed by CFIL in respect thereof and that CFIL will at all times be entitled to share with any such other person that may thus be appointed by CFIL, all documents statements of accounts and other information of whatsoever nature pertaining to the Obligor(s) and/or the Loan Facility. Further, the Obligor(s) expressly agrees and accepts that CFIL shall, without prejudice to its rights to perform such activities either itself or through its officers or servants, be absolutely entitled and have full power and authority to appoint one or more third parties of CFIL choice and to transfer or delegate to such third parties the right and authority to collect on behalf of CFIL all unpaid amounts and to perform and execute all acts, deeds, matters and things connected therewith or incidental thereto including attending the office/residence of the Borrower and the Guarantor, receiving the amounts due, and generally performing all lawful acts as the third party may consider appropriate for such purposes.

If the Borrower and/or the Guarantor requests any of the officer(s) and/or person(s)/representatives authorized by CFIL to visit his place of residence, office and/or any other place to collect the repayment, instrument and/or any document(s), the Customer shall be liable to pay Rs.200/- per visit or the amount as may be revised from time to time at the sole discretion of CFIL which shall be paid by the Customer directly or be debited to his loan account.

10. CFIL'S LIEN AND SET OFF PRESERVED

Notwithstanding anything herein contained, CFIL shall have a lien over all the Assets of the Borrower(s) in CFIL control and a right of set-off against any moneys due from CFIL to the Borrower(s) and to combine all accounts of the Borrower(s) for recovery of CFIL dues hereunder. CFIL has agreed to enter into this transaction on condition that the Borrower(s) agrees to the right of CFIL to set off against the amount lying in deposit/in account/in possession with CFIL for the recovery of CFIL dues hereunder.

11. THESE PRESENTS NOT TO AFFECT OTHER RIGHTS OF CFIL AGAINST BORROWER AND GUARANTOR:

- a. The Borrower/Guarantor hereby expressly agrees that nothing herein contained shall operate to prejudice the rights and remedies of CFIL in respect of any other obligations of the Borrower /Guarantor to CFIL or prejudice or effect any general or particular lien to which CFIL is by law or otherwise entitled to or operate to prejudice CFIL rights or remedies in respect of any present or future security, guarantee or obligation given to CFIL by any other person for any indebtedness or liability of the Borrower/Guarantor.
- b. The Borrower/Guarantor further agrees that in addition to and without prejudice to any other right or lien enjoyed by CFIL, CFIL will further be entitled at any point of time and without notice to the Borrower/ Guarantor to combine or consolidate all or any of the Borrower's/Guarantor's accounts and all the credits and liabilities therein and set off or transfer any sum standing to the credit of any one or more of such accounts in or towards satisfaction of any of the Borrower's liabilities to CFIL on any account whatsoever, whether such liabilities are actual or contingent, primary or collateral and whether joint or several.

12. PREPAYMENT:

"Prepayment" means the repayment of the entire Loan at any point of time by way of one bullet installment and in case of multiple instalments the entire repayment is to be received before the next due date. The Borrower shall be entitled to prepay the entire outstanding amount under this Agreement at any point of time by giving CFIL one month prior notice in writing of the Borrower's intention to do so. In the event the Borrower exercises its right to prepay, CFIL will be entitled to charge prepayment/termination charge equivalent to 3% of the outstanding principal amount over and above other dues payable under this Agreement. No partial pre-payment of the loan will be allowed. Any amount received in excess of the installment sum but less than the prepayment amount will be treated as excess and not adjusted with the outstanding principal amount.

13. INDEMNITY:

The Borrower and the Guarantor shall, without prejudice to any other right of CFIL, indemnify, and hereby agrees to keep indemnified and held saved and harmless CFIL against, and pay and reimburse to CFIL, any losses, costs,

For Citicorp Finance (India) Ltd

X10

Y10

Borrower

Guarantor

Authorised Signatory

charges or expenses (including any costs relating to stamp duty) or outgoings including legal fees and expenses which CFIL shall certify as having sustained or suffered or incurred by CFIL as a consequence of occurrence of an Event of Default, or laches or acts of omission and commission or breaches including of covenants, representations and undertakings and assurances on the part of the Borrower and the Guarantor, or otherwise in respect of the Credit Facility and/or the Hypothecated Asset/s and/or any terms herein.

14. THESE PRESENTS TO BE CONTINUING SECURITY:

The Borrower/ Guarantor agree that this Agreement and the security hereby created and indemnity and /or undertaking given shall operate as a continuing security and /or indemnities / undertakings for all the obligations/facilities of the Borrower / Guarantor in respect of the said Credit Facilities, notwithstanding the existence of a credit balance in the said account or any partial payments or fluctuation of accounts till the subsistence and full satisfaction of the obligations.

15. REIMBURSEMENT:

The Borrower shall reimburse CFIL all costs and expenses incurred by CFIL in the negotiation, preparation, stamping, execution, administration and enforcement of this Agreement as also any security documents and/or the rights of CFIL hereunder or thereunder.

16. ARBITRATION:

All disputes, differences and/or claims arising out of these presents or as to the construction, meaning or effect hereof or as to the rights and liabilities of the parties hereunder shall be settled by arbitration in accordance with the provisions pertaining to Fast Track Arbitration of the Arbitration and Conciliation Act, 1996. The arbitral tribunal will comprise of a single arbitrator to be appointed with the consent of both parties in writing, from the list of at least 3 arbitrators to be shared by the CFIL, within 14 (fourteen) days of the notice to start arbitration proceedings or from the date when the disputes has arisen . If Borrower and the Guarantor, where applicable, does not respond in unison to the request for mutual appointment of sole arbitrator from the list of arbitrators shared by the CFIL within the aforesaid 14 (fourteen) days, the CFIL will nominate an arbitrator from the said list. In the event of death, refusal, neglect, inability or incapability of the persons so appointed to act as an arbitrator, the parties shall mutually appoint a new arbitrator from the list shared earlier in accordance with the process as given hereinabove. Such arbitration proceedings shall be held in English at _____ . The award including the interim award/s of the arbitrator shall be final and binding on all parties concerned. The arbitrator shall follow the procedure pertaining to Fast Track Arbitration in conducting arbitration proceedings and shall conduct Fast Track Arbitration proceedings in accordance with the provisions of the Arbitration and Conciliation Act, 1996, or any statutory modification or re-enactment thereof for the time being in force. Any proceedings to be initiated in any court of law in pursuance of this arbitration shall be instituted and held in the courts at _____ only.”

X11

Y11

CFIL

17. NOTICE COMMUNICATION:

- a. Any Notice to be given by CFIL to the Borrower, shall be effective and deemed to have been duly and sufficiently served on the Borrower, three days after the same shall have been delivered to the post office/couriers properly addressed to the Borrower at the address given at the end of this Agreement and if delivered to the Borrower against acknowledgment, it shall be deemed to have been duly served as on the date of delivery.
- b. A certificate by an officer of CFIL that the notice was posted or served, as the case may be, shall be final, conclusive and binding on the Borrower.
- c. Unless otherwise advised in writing by CFIL to the Borrower, any notice to be given by the Borrower to CFIL shall be effective and deemed to have been duly and sufficiently served on CFIL if delivered at its registered office address herein stated.

18. CFIL'S STATEMENTS OF ACCOUNTS TO BE ACCEPTED BY THE BORROWER:

Annual outstanding balance statement for the loan account shall be generated as on 31st March of every year (end of the financial year) and dispatched to the mailing address within 45 days of the statement generation. The Borrower hereby agrees to accept as conclusive proof of the correctness of any sum claimed by CFIL to be due from the Borrower in respect of the said Credit Facilities, a statement of account printed out from computer made out from the books of CFIL without production of any voucher, documents or other paper. Further, Borrower also agrees that the statement of account being a computer generated printout does not require any signature of CFIL. Any manifest error in Statement of Account shall be pointed out by the Borrower within 10 (ten) working days after receiving the statement from the Lender.

19. EXECUTION AND STAMP DUTY:

- i. This Agreement shall be executed in single; the original copy whereof shall be kept by CFIL and photo copy of the same has been given to and received by the Borrower, the receipt whereof the Borrower does hereby admit and acknowledge.
- ii. The Borrower shall pay and bear the stamp duty on this Agreement as also any penalty or other levies thereon.

20. WAIVER/FORBEARANCE:

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

For Citicorp Finance (India) Ltd

X12

Y12

Borrower

Guarantor

Authorised Signatory

UG11

21. ENTIRE AGREEMENT

This Agreement and any other documents attached hereto or referred to herein, integrate all the terms and conditions mentioned herein or incidental hereto, and supersede all oral negotiations and prior writings in respect of the subject matter hereof. In the event of any conflict between the terms, conditions and provisions of this Agreement and any agreement or documents attached hereto or referred to herein, then in such event, the terms, conditions and provisions of this Agreement shall prevail.

22. SCHEDULES TO FORM PART OF AGREEMENT:

The Schedules hereto shall be deemed to be part of this Agreement as though the provisions thereof were set out herein in extenso.

23. REMEDIES AND WAIVERS CUMULATIVE

(a) The rights of CFIL under this Agreement:

- (i) may be exercised as often as necessary;
- (ii) are cumulative and not exclusive of its rights under the general law or those available to it under the present Agreement
- (iii) may be waived only in writing and specifically.

(b) Delay in exercising or non-exercise of any right is not a waiver of that right

24. PARTIAL INVALIDITY:

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

25. DISCLOSURE:

The Borrower and the Guarantor state and declare that as a pre-condition, relating to grant of the paid Credit Facilities to the Borrower, CFIL, requires their consent for the disclosures by CFIL of, information and data relating to the Borrower and the Guarantor in respect of the said Credit Facility availed of/to be availed, by the Borrower, obligations assumed/to be assumed, by the Borrower and the Guarantor, in relation thereto and default, if any committed by the Borrower and the Guarantor in discharge thereof.

- (I) Accordingly, the Borrower and the Guarantor hereby agree and give consent for the disclosure by CFIL, of all or any such;
 - (a) informations and data relating to the Borrower and the Guarantor;
 - (b) the information or data relating to any Credit Facility availed of/to be availed, by the Borrower and the Guarantor and
 - (c) default, if any committed by the Borrower and the Guarantor in discharge of the Borrower's and the Guarantor's obligation, as CFIL may deem appropriate and necessary to disclose and furnish to the Reserve Bank of India or the Credit Information Companies [CICs] and any other agency authorized this behalf by RBI.
- (II) The Borrower and the Guarantor further authorizes CFIL to disclose aforesaid information/documents to Income Tax Authorities, credit Bureaus, Credit Rating agencies, third Parties, Databanks, corporates, other Banks, financial institutions associated/ group entities of CFIL, its service providers or any other Government or Regulatory Authorities/Bodies/Departments. The Borrower and the Guarantor also hereby expressly authorizes CFIL that in order to protect its interest and/or for the purpose of credit reference checks etc. CFIL shall be entitled to disclose all/any information/documents relating to him/it as may be required by any of the Citigroup companies for the purpose of executing this Agreement and or any other Agreement(s). CFIL shall be entitled to exercise this right of disclosure without being required to issue any further notice in this respect to the Borrower. The Borrower specifically waives the privilege of privacy, privity and defamation.
- (III) The Borrower and the Guarantor declare that the information and data furnished by the Borrower and the Guarantor to CFIL are true and correct.
- (IV) The Borrower and the Guarantor undertake that:
 - (a) the RBI or the Credit Information Companies [CICs] and any other agency so authorized may use, process the said information and data disclosed by CFIL in the manner as deemed fit by them and
 - (b) the RBI or the Credit Information Companies [CICs] and any other agency so authorized may furnish for consideration, the processed information and data or products thereof prepared by them, to banks/financial institutions and other credit grantors or registered users, as may be specified by the Reserve Bank in this behalf. The expression "Bank" includes lending institutions for the purpose.

26. NOTICE FOR CHANGES IN THE TERMS:

The changes as and when done which are applicable to the loan terms and conditions, rate of interest, charges etc. shall be displayed on our website, which shall constitute sufficient notice to the Borrower/Guarantor. Also, the said changes if any would be made available at the branches. However in case there is any change in an individual contract/loan then the same shall be intimated in form of a letter / email on the registered address or /SMS/Call on the

For Citicorp Finance (India) Ltd

X13

Y13

Borrower

Guarantor

Authorised Signatory

27. ACCEPTANCE:

I/We have read the entire Agreement constituting of 27 clauses and 3 schedules which have been filled in my/our presence.

I/We shall be bound by all the conditions mentioned therein.

The aforesaid Agreement and other documents have been explained to me/us in the language understood by me/us and

I/We have understood the entire meaning of various clauses.

I/We am/are aware that CFIL shall agree to become a party to this Agreement only after satisfying itself with regard to all conditions and details filled by me/us in the loan application made by me/us.

IN WITNESS WHEREOF the Parties have executed these presents at the Place and on the day, month and year set out hereinafter.

	PARTY OF THE FIRST PART: BORROWER	
1.	Mr/M/s. _____ an Indian Inhabitant / a Solo Proprietorship/ a Partnership Firm/ a Company/A Co-operative Society/ society constituted/ incorporated /under the provisions of Indian Partnership Act / the Companies Act / Societies Registration Act/ Co-operative Societies Act/Indian Trust Act, residing at/ having its principal Office at/ Registered office at / Residential address at _____ _____ _____	<u>Y5</u> Signature/Authorised Signatory / Partner
	PARTY OF THE SECOND PART: GUARANTOR	
2.	Mr/M/s. _____ an Indian Inhabitant / a Solo Proprietorship/ a Partnership Firm/ a Company/A Co-operative Society/ society constituted/ incorporated /under the provisions of Indian Partnership Act / the Companies Act / Societies Registration Act/ Co-operative Societies Act/Indian Trust Act, residing at/ having its principal Office at/ Registered office at / Residential address at _____ _____ _____	<u>Y5</u> Signature/Authorised Signatory / Partner
	PARTY OF THE THIRD PART: CITICORP FINANCE (INDIA)LTD.	
3.	Branch Address:- _____ _____ _____ _____	_____ Signature/Authorised Signatory

WITNESS

WITNESS

PLACE :

DATE :

Schedule I & II attached to and forming part of the Loan cum Hypothecation Agreement describing particulars of the amount payable

SCHEDULE - I

DESCRIPTION OF CREDIT FACILITIES

Loan of Rs _____ (Rupees _____)
 _____)
 disbursed in favour of Manufacturer/Dealer as per the instructions of the Borrower, repayable in _____ monthly instalments as mentioned in Schedule III secured by hypothecation of the Assets as mentioned in Schedule II.

SCHEDULE II

DESCRIPTION OF HYPOTHECATED ASSET

X15

S. no.	Asset	Registration Number	Serial / Machine/ Engine No.	Chassis No.
1.				
2.				
3.				
4.				
5.				
6.				
7.				
8.				
9.				
10.				
11.				
12.				
13.				
14.				

Y15

CFIL

For Citicorp Finance (India) Ltd

X16

Borrower

Y16

Guarantor

Authorised Signatory

UG15

Schedule III attached to and forming part of the Loan cum Hypothecation Agreement describing particulars of the amount payable

1.	Loan amount sanctioned	:	Rs. _____	
2.	Loan Term	:	_____	
3.	Rate of interest (annualized)	:	_____ % p.a. (Fixed) to be computed with monthly rests on the outstanding balance.	
4.	Service/processing charge (Maximum upto 3% of the loan amount)	:	Rs. _____	X17
5.	Service/processing charge for Micro & Small Enterprise (MSE) Borrowers for loans upto Rs 5 lakhs.	:	NIL	
6.	Stamp Duty	:	At Actual	
7.	Additional interest payable by way of liquidated damages (Penal Charges)	:	2.00 % p.m [24% p.a] on the defaulted amount	
8.	Present value of hypothecated asset	:	Rs. _____	
9.	Any other charge incurred for recovery	:	At Actual + Taxes as applicable.	
10.	Loan Pre-payment Charges	:	3 % of the Principal Outstanding	
11.	Loan Pre-payment Charges for Micro & Small Enterprises (MSE) borrowers for fixed rate loans up to Rs.50 lacs.	:	NIL	
12.	Charge for cheque/DD/ECS/ACH dishonour	:	Rs.200/- per dishonour + Taxes as applicable.	
13.	Cheque/DD pickup	:	Rs.200/- per visit + Taxes as applicable.	
14.	Total Amount Payable	:	_____	
15.	Place of Payment	:	_____	

MONTHLY INSTALLMENT SCHEDULE

S. No.	Date		Installment Amount	No. of Installments
	From	To		
1.				
2.				
3.				
4.				
5.				
6.				
7.				
8.				
9.				
10.				CFIL
11.				
12.				
13.				
14.				
15.				

For Citicorp Finance (India) Ltd

X18

Borrower

Y18

Guarantor

Authorised Signatory

UG17

IRREVOCABLE POWER OF ATTORNEY

TO ALL WHOM THESE PRESENTS SHALL COME I/WE _____
son/daughter/wife of _____ residing at _____

X19

(hereinafter called the "Borrower(s)" which expression shall include his/her heirs, executors, administrators, legal representatives and assigns/his successors and assigns) OR M/s. _____ a Company incorporated under the Companies Act 1956, and having its Registered Office at _____

(hereinafter called the "Borrower(s)" which expression shall include its successors and assigns) OR M/s. _____
_____ a partnership firm having its principal place of business at _____

and constituted by and between Mr./Mrs. _____ and Mr./Mrs. _____
and Mr./Mrs. _____ and Mr./Mrs. _____
and Mr./Mrs. _____ (hereinafter called the "Borrower(s)" which expression shall include the partner or the partners for the time being of the said firm and the survivor or survivors of them and their heirs, executors, administrators and assigns/of such survivor(s))

SEND GREETINGS

WHEREAS CITICORP FINANCE (INDIA) LTD a registered corporate having its registered office at B-7, 5th Floor, Nirlon Knowledge Park, Goregaon (East), Mumbai - 400 063 (hereinafter called the "CFIL") has granted Credit Facilities for Rs. _____ (Rupees _____) to me/us.

AND WHEREAS the Borrower has executed a Loan cum Hypothecation Agreement dated _____ with and in favour of CFIL:

AND whereas an irrevocable Power of Attorney is to be executed in favour of the CFIL to do the following acts for and on behalf of the Borrower(s).

NOW KNOW YE ALL AND THESE PRESENTS WITNESS THAT I/WE do irrevocably nominate/constitute upon the CFIL acting through any of its officers as my/our true and lawful attorney for me/our behalf and at my/our cost and risk to do, execute and perform all or any of the following acts, deeds, matters and things that is to say:-

1. To take inspection directly or to engage any Advocate, Chartered Accountant or registered trade practitioner for taking inspection of my/our Income tax return/s and Assessment proceedings, Appeal proceedings etc relating to the current and previous Assessment years.
2. This authority is being given to the CFIL to enable the CFIL to verify the veracity of various representations made by the undersigned for obtaining Credit Facilities from the CFIL
3. This authority shall be binding upon the undersigned and its legal successors prior and post to the grant of the Credit Facilities and shall be irrevocable during the tenure of the said Credit Facilities.
4. To get requisite information from employer as may be expedient to ascertain material particulars.
5. To appear before the office of the Regional Transport Officer, Sales Tax Officer and other authorities through Advocates or any authorized person deemed necessary by the CFIL to effect endorsement of hypothecation in Registration certificate and transfer the vehicle.
6. To take possession of the Hypothecation vehicles in case of default as per the terms of the Loan cum Hypothecation agreement.

7. To take all necessary steps as fully and effectually as I/We could take to dispose of the motor vehicle and for this purpose to enter upon the premises, garage or godown where the motor vehicle shall be lying or kept, to take possession and recover and receive the motor vehicle and if necessary to break open any place of storage. The CFIL shall also be entitled to appoint any officer/s or any other person as the receiver of the motor vehicle with the power to sell the vehicle by the public auction or private contract or otherwise dispose of the motor vehicle at our risk and costs with the further power to rescind or vary any such contract for sale without being bound or answerable for any loss or diminution in value and without being liable for any loss occasioned by the exercise of such powers.
8. To transfer, sell or dispose of the said vehicle(s) and to sign and execute all contracts, declarations and instruments as may be necessary or expedient for giving delivery thereof.
9. To appoint or engage any broker for effecting any such transfer, sale or disposition or realization as the case may be.
10. To give notice to the appropriate authority for the registration of the said vehicle(s) upon the sale thereof.
11. To receive the consideration on the sale, transfer, disposition of the said vehicle and to give proper receipt and valid and effectual discharge of the same.
12. To take delivery and possession of the vehicle(s) as and when deemed necessary by the CFIL.
13. And generally to do, perform and execute all acts, deeds, matters and things relating to or concerning or touching these presents as fully and effectually as if I/We were personally and had done, performed or executed the same myself/ourselves.
14. And I/We hereby agree to ratify and confirm all and whatsoever the CFIL shall do or cause to be done in or about the premises by virtue of these presents.
15. To sign, execute, carry out, deliver and complete all papers, correspondence, vouchers, agreements, contracts, forms, applications, petitions, transfers, receipts and all other deeds and assurance and documents for the due completion and performance of any of the transactions, which may now be subsisting in the ordinary course of business.
16. AND ALSO for the better and more effectually doing, effecting and performing the several matters and things aforesaid to appoint from time to time or generally such person or persons as the Attorneys may think fit as their substitute or substitutes to do execute and perform all or any such matters and things as aforesaid and any such substitute or substitutes at pleasure to remove and appoint another or others in his or their place and we hereby agree at all times to ratify and confirm whatsoever the Attorneys or any such substitute or substitutes shall lawfully do or cause to be done in or about the premises.

IN WITNES whereof I/We hereunto set my/our hand and seal at _____) this _____ day of _____ Christian Year _____ SIGNED AND DELIVERED by the above named.

X 20

in the presence of
(Notary Seal and Stamp)

Explanation of interest calculation and Illustrative example of SMA/NPA classification of loan accounts

As per the terms and conditions in the loan agreement, the equated/variable installment shall be due on the date specified in the agreement/loan draw down notice and shall be payable as per the frequency of the repayment in line with the repayment schedule/clauses mentioned in the agreement. The breakup of the principal and interest, is applicable at the time of sanction of the loan and the rate of interest on the loan is as per the details of the loan agreement. The interest is calculated on actual daily outstanding balance of the loan on the basis of actual number of days in a year, the breakup between principal and interest may change in the future on account of revision in rate of interest as applicable, actual outstanding of the loan, credit facility utilization etc. The revised breakup principal and interest can be requested for by contacting the respective service channels of Citicorp Finance India Limited (CFIL).

Please find below an illustrative example of Special Mention Account (SMA)/Non Performing Asset (NPA) classification methodology for monthly payment. The payment frequency may vary as per the agreed terms and will be specified in the agreement.

Illustrative example

If due date of a loan account is March 31, 2021, and full dues are not received before the lending institution runs the day-end process for this date, the date of overdue shall be March 31, 2021. If it continues to remain overdue, then this account shall get tagged as SMA-1 upon running day-end process on April 30, 2021 i.e. upon completion of 30 days of being continuously overdue. Accordingly, the date of SMA-1 classification for that account shall be April 30, 2021.

Similarly, if the account continues to remain overdue, it shall get tagged as SMA-2 upon running day-end process on May 30, 2021 and if continues to remain overdue further, it shall get classified as NPA upon running day-end process on June 29, 2021.

Due Date: March 31, 2021

Overdue Days	Date of Classification	Classification Status*
NA	March 30, 2021	Standard
1	March 31, 2021	SMA 0
31	Apr 30, 2021	SMA 1S
61	May 30, 2021	MA 2
91	June 29, 2021	NPA

*Classification status tracking will depend on the type of facility being extended, for e.g. SMA 0 classification is not applicable for revolving facilities, and will be tracked for SMA 1 onwards.