

Loan- Cum-Hypothecation Agreement

THIS AGREEMENT ("Agreement") is made on the date and year as mentioned in the **Annexure I**

Between

Volkswagen Finance Private Limited, a company incorporated under the Companies Act, 1956 and having its Registered Office at Silver Utopia, 3rd Floor, A Wing, Cardinal Gracious Road, Chakala, Andheri East, Mumbai 400 099 (hereinafter referred to as "VWFPL" which expression includes its successors and assigns) of the **First Part**;

And

The person(s) specified as 'Borrower' and 'Co-Borrower' in the Annexure I, having its/their office/ residence at the place specified in the Annexure I [hereinafter collectively referred to as the "**Borrower(s)**" which expression shall, unless repugnant to the context or meaning thereof, be deemed to include (i) where the Borrower(s) is/are an individual, his/her heirs, executors, and administrators; (ii) where the Borrower(s) is/are a sole proprietorship concern, the person whose name appears as sole proprietor and shall include his heirs, executors, and administrators; (iii) where the Borrower(s) is/are a partnership firm under Indian Partnership Act, 1932, any and each of the partner, and their survivor(s) or the partner(s) from time to time and their respective heirs, legal representatives, executors and administrators; (iv) where the Borrower(s) is a Hindu Undivided Family (HUF), the Karta and any or each of the adult member of the HUF and their survivor(s) and his /her/ their respective heirs, executors and administrators;(v) where the Borrower(s) is/are a Company or Society or Limited Liability Partnership(LLP), its successors; (vi) where the Borrower(s) is/are an unincorporated body, all members thereof and their respective successors; (vii) where the Borrower (s) is /are a Trust, the trustee/s for time being thereof and the successors of the trust / trustees)] of the **Second Part**

WHEREAS:

- a The Borrower(s) has requested VWFPL for a loan for the purpose of purchase of new or old vehicle(s) including all spare parts, accessories, accretions, equipment, additional components to the equipment, any additional body building/ modification works, engine upgradations as specified in the Annexure-I hereto [hereinafter collectively referred to as "**Product(s)**"];
- b At the request of the Borrower(s), VWFPL has agreed to grant the loan, for the aforesaid purpose, as specified in Annexure I ("**Purpose**") on the terms and conditions hereinafter appearing.

NOW IT IS AGREED BY AND BETWEEN THE PARTIES HERETO AS FOLLOWS:-

1. Loan, Disbursement

- 1.1 Subject to the terms and conditions contained herein, the Borrower(s) hereby agrees to borrow and VWFPL agrees to lend to the Borrower(s) the loan amount specified in Annexure I ("**Loan**"). The Loan shall, upon the request of the Borrower(s), be disbursed by VWFPL (a) either to the Borrower(s), or (b) to such manufacturer /dealer / person(s) as specified in Annexure

Borrower(s)

Co-Borrower

Co-Borrower

I. The Loan amount shall be disbursed to the Borrower(s) net of all initial payments towards Pre Monthly Instalment Interest, Advance Instalment, Documentation Charges, Loan Processing Charges, Premium for Insurance (if applicable), Maintenance Pack Charges and Fees, Extended Warranty Charges and Fees. All Loans thus disbursed/paid by VWFPL to the manufacturer/dealer/owner /person(s) shall be deemed to be a Loan granted to and availed by the Borrower(s). If so required by VWFPL, the Borrower(s) shall acknowledge the receipt of the disbursement of the Loan in the form and manner as required by VWFPL.

- 1.2 Disbursements of the Loan shall be deemed to be made on the date the cheque(s) / pay order(s) / authorization(s) / demand draft(s)/ Real Time Gross Settlement (RTGS) / National Electronics Funds Transfer System (NEFT)/ Unified Payment Interface (UPI) instruction are issued / made by VWFPL and not on the date of their actual receipt, and if by credit, when credit is made by VWFPL.
- 1.3 The Borrower(s) further acknowledges and confirms that any delivery order or instructions or confirmation given by VWFPL to the manufacturer / dealer / seller of the Product(s) of having approved the Loan and to deliver the Product(s) to the Borrower(s) shall, where VWFPL has provided credit or has some other financial arrangement with such manufacturer / dealer / seller and notwithstanding that no monies have actually been paid to such manufacturer / dealer / seller, also constitute and be deemed as a disbursement of the Loan and that this Agreement shall be fully and completely binding on (and strictly complied with by) the Borrower(s) upon such event also. Disbursement(s) made, at the Borrower(s) request / instructions and behalf to any person(s) shall be binding on them.
- 1.4 The Borrower(s) shall be solely liable to bear any increase in the price of the Product(s) and/or the costs of insurance or registration of the Product(s).
- 1.5 VWFPL shall be entitled to cancel or rescind the Borrower(s)' order /booking of the Product(s) with the Manufacturer / dealer / seller and to collect the refund of the booking price or any other amounts directly from the Manufacturer / dealer / seller (after any deduction that may be made by manufacturer / dealer / seller) and adjust the same against any monies that may be due and payable by the Borrower(s) to VWFPL: (i) if within 7 days of the date of disbursement of the Loan (a) the manufacturer/ dealer/ seller fails to deliver the Product(s) to the Borrower(s), or (b) the Borrower(s) fails to take delivery of the Product(s), or (ii) if the Borrower(s) fails to provide VWFPL the documents evidencing the payment of Borrower(s) contribution towards the purchase of the Product(s), or (iii) if within 30 days of the date of disbursement of the Loan the Product(s) is not available for any reason whatsoever. Any deficit which is not immediately made good by the Borrower(s) shall be construed as an Event of Default.
- 1.6 The Borrower(s) acknowledges and confirms that (a) this Agreement, (b) the 'Sanction Letter', (c) the 'Loan Application', (d) security documents, and (e) any other documents related with Loan executed by the Borrower(s) (collectively "**Transaction Documents**") shall be fully and completely binding on the Borrower(s) on the occurrence of any one of the following events:
- i) VWFPL executing this Agreement and / or the Loan (or any part thereof) applied for by the Borrower(s) being sanctioned/ granted / disbursed by VWFPL; or
 - ii) the Product(s) being delivered to the Borrower(s) pursuant to instructions / confirmation given by VWFPL to the manufacturer / dealer / seller specified, without any requirement of any further specific confirmation from VWFPL to the Borrower(s) of such sanction / disbursement.
- 1.7 The disbursement of the Loan shall be subject to the conditions precedent as stated below:
- a) the Borrower(s) shall provide VWFPL with documents evidencing the payment of Borrower(s)' contribution towards the purchase of the Product(s) as specified in Annexure I.
 - b) The Borrower(s) shall have an absolute, clear and marketable title / ownership to the Product(s) and the Product(s) is absolutely unencumbered and free from any liability and prior charges whatsoever.

- c) No extraordinary or other circumstances shall have occurred which shall make it improbable for the Borrower(s) to fulfill his or its obligations under this Agreement.
- d) The Borrower(s) meets VWFPL's requirement of creditworthiness. In this regard, VWFPL shall be entitled to make or cause to be made inquiries of such nature as VWFPL may deem fit for the creditworthiness of the Borrower(s). VWFPL shall be further entitled to call for such credentials from the Borrower(s) or contacts credit agencies or any concerned third party as may be required to prove the creditworthiness of the Borrower(s).
- e) No Events of Default as defined in Article 7 and no event which with the lapse of time or notice and lapse of time as specified in the said Article would become an Events of Default, shall have occurred and be continuing.
- f) The Borrower(s) shall secure to the satisfaction of VWFPL the principal amount of the Loan together with all interest, liquidated damages, costs, charges and expenses and all other moneys whatsoever due and payable by the Borrower(s) to VWFPL in respect thereof, by creating a first and exclusive charge by way of hypothecation over the Product(s) purchased/ acquired or to be purchased/ acquired out of the Loan, whether now in possession or which will come into the possession of the Borrower(s).

2. Payment, Pre-payment, Interest and Other Charges

- 2.1 The Borrower(s) shall be liable to pay interest on the Loan at the rate and on the dates specified in the Annexure I. The interest on the Loan and other charges shall be calculated on a daily balance basis with monthly rests on the outstanding principal balance. The interest will be calculated on 360 days a year and the actual number of days elapsed. The interest on the Loan shall begin to accrue from the date of disbursement/issuance of the Loan cheque irrespective of the time taken for transit, collection, realization of the cheque by the Borrower(s) or his bank. The rate of interest payable by the Borrower(s) shall be subject to revision, if any, based on the guidelines / directives issued by Reserve Bank of India ("RBI") from time to time or conditions in the money market, VWFPL's cost of fund and availability of the loanable funds at the relevant time.
- 2.2 The Borrower(s) shall repay the Loan together with interest thereon to VWFPL in such number of instalments, and with such instalment(s) being of such amounts and on the 'Due Date(s)' as specified in Annexure I (time being of the essence of the contract); such instalments are hereinafter referred to, individually, as an "Instalment/EMI" and, collectively, as the "Instalments/ EMIS". The monthly Instalment amount is rounded off to the next higher Rupee. If the Due Date falls on a day which is not a business day at the place where the payment is to be made, the Borrower(s) shall pay the Instalment on the business day preceding the Due Date for such repayment. All payments to be made by the Borrower(s) to VWFPL shall be made free and clear of and without any deduction for on account of any taxes. If the Borrower(s) is / are required to make any such deduction, then, in such case, the sum payable to VWFPL shall be increased to the extent necessary to ensure that, after making such deduction, VWFPL receive and retains (without any liability for such deduction) a sum equal to the sum which it would have received had such deduction not made.
- 2.3 The Borrower(s) agrees that VWFPL shall by giving a prior written notice of seven (7) days to Borrower(s); shall inform the Borrower(s) about any change in disbursement amount/disbursement date/Change in interest Rate/Change In EMI amount/ Change in EMI Schedule/Prepayment Charges/Service Charges. Such notice would be sent to Borrower(s) in two languages i.e. one in english and another in the vernacular language as understood by Borrower(s) and any such change would be effected from the day such information is communicated to the Borrower(s).
- 2.4 If the Borrower(s) default/s in payment /repayment of any Instalment/s or any other amounts due to VWFPL on the respective Due Date(s), the Borrower(s) shall be liable to pay additional interest/default interest and other miscellaneous charges at the rate specified in Annexure I on all such arrears from the relevant Due Date till the date of payment/ realization thereof. Such additional interest/default interest and miscellaneous charges shall be in addition to any other charges which the Borrower(s) is liable to pay to VWFPL in terms of this Agreement.
- 2.5 The Borrower(s) shall repay / pay the Instalments and other monies to VWFPL through any one of the following: (i) by Post-Dated Cheques ("PDC Method"), (ii) by Electronic Clearing System (Debit Clearing) as notified by RBI ("ECS

Method"), (iii) by directly paying amounts by cash or cheque / draft issued in the name of "Volkswagen Finance Private Limited" ("**Direct Payment Method**"), or (iv) NACH, or (v) by any other method provided the same is approved by VWFPL. The method for payment shall be as selected by the Borrower(s) in Annexure I. Such selection/ mandate cannot be changed/ cancelled /revoked by the Borrower(s) without VWFPL's prior written consent. Further, the Borrower(s) shall not be entitled to cancel or issue stop- payment instructions with respect to the Post-Dated Cheques / ECS/NACH mandates for so long as the Loan or any part of the Borrower(s)' dues is outstanding. Notwithstanding anything contained in this Agreement or the Transaction Documents, and irrespective of the mode of payment selected by the Borrower(s), upon any default by the Borrower(s) in payment or non-realisation of any Instalment(s) on the Due Date by VWFPL, VWFPL shall be entitled to present and/or re-present the Post-Dated Cheques or ECS or NACH issued by the Borrower(s) in favour of VWFPL.

- 2.6 The number of advance Instalments, as mentioned in Annexure I, paid by the Borrower(s) to VWFPL (or its nominees) prior to disbursement of the Loan (or at any other time as may be specified by VWFPL) shall be adjusted against the payment of the last Instalments (of an equal number) or in any other manner as decided by VWFPL. The Borrower(s) shall not be entitled to any interest on the amount of such advance Instalments.
- 2.7 The Borrower shall make a claim for any unused Cheque/s in the possession of VWFPL within 30 days of the closure of the Loan failing which VWFPL shall be entitled to destroy any unclaimed/undelivered Cheques lying in their possession.
- 2.8 The Borrower(s) hereby unconditionally and irrevocably authorizes VWFPL, acting through its officers, authorised agents to fill necessary details in the cheque/s delivered to VWFPL for an amount not exceeding the maximum amount due by the Borrower(s) to VWFPL under the terms and conditions of this Agreement without notice to the Borrower(s) in his behalf. The Borrower(s) hereby confirm and agree that VWFPL is entitled in its sole discretion to use one or more such Cheques or ECS or NACH for the regularization/settlement of repayment of the Loan. For this purpose, in the event the Cheques or ECS or NACH issued by the Borrower(s) pursuant to this Agreement stand exhausted the Borrower(s) undertakes to issue fresh Cheques to VWFPL.
- 2.9 The Borrower(s) shall at all times maintain sufficient funds in his / her / their bank account/s to ensure that the ECS, Post-Dated Cheques, or NACH, if any, issued by the Borrower(s) are not dishonoured and the Instalments are received / realized by VWFPL on or before the applicable Due Date(s).
- 2.10 Notwithstanding the mode of repayment / payment selected by the Borrower(s), the Borrower(s) shall continue to remain at all times liable and responsible for ensuring the payment / repayment of all Instalments and all other monies in respect of the Loan to VWFPL on or before the relevant Due Date(s) without any further notice / intimation being given by VWFPL and all such amounts payable by the Borrower(s) to VWFPL shall be paid, at such place/s as VWFPL may specify, without any deductions whatsoever so as to enable VWFPL to fully realize the amounts due on or before the respective Due Date(s). Credit for payments by any method will be given only on realization of payments. The acceptance by VWFPL of any payment which is less than the full Instalment or other amounts due and owing at such time shall not constitute a waiver of VWFPL's right to receive payment in full at such time or at any subsequent time or a waiver of any other rights whatsoever of VWFPL under this Agreement.
- 2.11 The Borrower(s) shall obtain VWFPL's prior written consent for changes in authorised signatory who has signed the Cheques /ECS/NACH which have been submitted to VWFPL at the time of disbursal of this Loan. VWFPL may permit the Borrower(s) to swap / exchange the post-dated Cheques /ECS/NACH issued to VWFPL with alternate Post-Dated Cheques / ECS/NACH drawn on another bank (as approved by VWFPL) subject to payment to VWFPL of the "Cheque /ECS/NACH Swap" charges as specified in Annexure I. In such an event, the Borrower(s) shall promptly replace the Post-Dated Cheques and/ or the ECS or NACH mandates, agreements and/or other documents executed for payment of the Instalments and issue fresh Post-Dated Cheques, ECS or NACH mandates in lieu thereof to the satisfaction of VWFPL.
- 2.12 The Borrower(s) agrees that VWFPL shall not be responsible for any defect, delay of delivery or non-delivery or for loss, theft, seizure, confiscation, accident of the Product(s) at or before time of delivery or for any defect, damage, or quality of

the Product(s). The payment of the Instalments shall commence and continue as per the schedule specified in Annexure I and the Borrower(s) shall not be entitled to withhold or delay payment of any Instalment or other sum irrespective of any non-delivery / delayed-delivery, defect in the Product(s), and any dispute / difference whatsoever between any parties in relation to the Product(s).

- 2.13 The Borrower(s) can make part or full prepayment of the Loan or Instalments or Borrower(s) Dues (defined hereafter) prior to the Due Date/s, subject to VWFPL's written approval and on such terms and conditions as may be stipulated by VWFPL including payment of minimum prepayment amount, prepayment premium, or discounted interest, and/or any other charges; provided however, the Borrower(s) would be entitled to part or pre- payment of the Loan or Instalments only twice in a year. In the event any such part prepayment is allowed and approved by VWFPL, VWFPL shall amend the repayment schedule / amount of Instalment(s) as specified in Annexure I and the Borrower(s) shall thereafter make payments as per such amended Schedule of payment. Any such prepayment shall take effect only after cash has been received or realisation by the VWFPL of the Cheques/Demand Drafts/ Pay Orders/ RTGS / NEFT/NACH Fund Transfer and the repayment Schedule will be come into effect only after next month's EMI Due Date.
- 2.14 The Borrower(s) agree, declares, and confirms that notwithstanding any of the provisions of the Contract Act, 1872 or any other Law or any of the terms and conditions contained in the Agreement and or any Transaction Documents, any amounts received from the Borrower(s) or amounts realized by VWFPL by enforcement of security or otherwise, shall unless otherwise agreed to by VWFPL in writing, be appropriated (i) first towards costs, charges, expenses and other monies, due and payable to VWFPL; (ii) secondly towards interest due and payable and/or accruing due and payable to VWFPL; (iii) thirdly towards repayment of the amount of any instalment(s) of the Principal sums due and payable or becoming due and payable to VWFPL under this Agreement; and (iv) lastly towards amount due under any other agreements between the Borrower(s) and VWFPL
- 2.15 In an event where the Borrower(s) default in making the payment of the applicable Installment/EMI on or before the stipulated time, VWFPL reserves the right to charge the below mentioned charges, along with the applicable GST or any other taxes charged thereupon, to the Borrower(s): - Penal Interest - Late Payment Fees - Cheque Bounce Charges - Penalty The above charges will be payable by the Borrower(s) on an immediate basis. Applicable penal interest @% p.a. will be payable by the Borrower(s) for delay in making the payment of the Installment/EMI and / or of the above mentioned charges (along with the applicable taxes charged thereupon) till the said amount is not paid.

3 Taxes/Fees/Charges

- 3.1 The Borrower(s) shall bear and pay all interest tax, service tax, Goods and Service Tax (" GST"), fees (including one time upfront Processing Charges as set out in Annexure I), charges, import duties (including stamp duty and relevant registration and filing charges and taxes of any description whatsoever) as may be levied from time to time by the Government or other authority and all other costs, charges and expenses, whatsoever (including but not limited to any costs and expenses incurred by VWFPL), in connection with (a) the Loan Application, grant of Loan and repayment thereof, Pre-Payment/ Cheque Swapping Charges, or other stipulated charges in connection with the Product(s); (b) this Agreement and/ or any Transaction Documents, (c) recovery and realization of the Borrower(s)' Dues, (d) the creation, enforcement and realisation of the security [including taking possession of, maintaining, storing and selling / transfer / encashment of the Products(s)], (e) repairing of the Product(s) and clearance of arrears of all taxes and any other charges and levies payable to the Government in respect of the Product(s), (f) inspection and valuation of the Product(s), (g) insuring the Products(s), parking charges, rentals, godown or safe-keeping charges of the Products(s), and (h) VWFPL 's advocate's fees and expenses for any of the above. The Borrower(s) shall also pay / reimburse VWFPL for all and any losses, damages, costs, charges, claims, expenses and liability of any kind or nature whatsoever including but not limited to any stamp duty, other duties, taxes, charges and penalties and/or any increases in costs to VWFPL by reason of any change in law or in its interpretation or administration, under / in relation to this Agreement and the security, if any, to be created by the Borrower(s) suffered, sustained, or incurred

by VWFPL in connection with any of the above matters if and when the same is required to be paid according to the laws for the time being in force.

- 3.2 In the event the Borrower(s) fail to pay the monies referred to above, VWFPL shall be at liberty (but shall not be obliged) to pay the same. The Borrower(s) shall reimburse to VWFPL all such sums paid by VWFPL together with the default interest stipulated in Annexure I. The Borrower(s) shall reimburse all sums paid and/or expenses incurred by VWFPL (including by or on behalf of their representatives / consultants / appraiser) in relation to the Loan within 7 days from the date of notice of demand from VWFPL. All such sums shall carry interest from the date of payment till such reimbursement at the rate of further interest specified in Annexure I.
- 3.3 Due to implementation of Goods and Service Tax (GST), the tax(es) (i.e., IGST or SGST & CGST) at applicable rate will be charged and recovered on any amount received as an advance relating to charges including but not limited to Processing Charges, Cancellation Charges etc. If the Borrower(s) refuse to/fails to pay due to whatsoever reason, then VWFPL reserves the right to recover the same along with the applicable rate of interest. In case of a situation where the Borrower(s) has paid an advance relating to charges including but not limited to Processing Charges, Cancellation Charges etc. and the contract ceases to exist or the Borrower(s) refuses to avail of 'the facility' due to whatsoever reason in future, then VWFPL reserves the right not to refund amount of the tax(es) (i.e., IGST or SGST & CGST) collected at the time of receipt of advance.
- 3.4 **GST Compliance Clause:** The Borrower(s) who is a registered person and having valid GSTIN/UID under GST Law is under obligation to inform VWFPL about the any alteration/modification made by him/her in course of fulfilling compliance provided under GST law relating to but not limited to the supplies made to him/her within reasonable time at periodicity mutually decided between the VWFPL and the Borrower(s) to enable the VWFPL to comply with the GST law compliances. VWFPL reserves the right to cancel/terminate the contract or recover the cost that will be incurred for remediating VWFPL due to non-compliance with GST law.
- 3.5 **Tax collection clause:** The VWFPL reserves the right to collect an amount being percentage as applicable time to time of the value of supplies made to the borrower in case the same is been prescribed by the Government in the GST law.

4. Security

- 4.1 In consideration of VWFPL having granted/agreed to grant to the Borrower(s) the Loan, the Borrower(s) hereby hypothecates to, and charges in favour of VWFPL by way of first and exclusive charge thereon, the Product(s) purchased/ acquired or to be purchased/acquired out of the Loan or the Product(s) belonging to it whether now in possession or which will come into the possession of the Borrower(s) and as described in general terms in the Annexure I (hereinafter referred to as the "**Hypothecated Assets**") hereto as security for the Borrower(s)' Dues (defined hereinafter). Any additions, improvements, or attachments to the Hypothecated Assets, whether made and carried out by the Borrower(s) or otherwise and whether at the cost of the Borrower(s) or otherwise and whether with or without the approval of VWFPL shall be deemed to constitute 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 Assets prior to such addition/improvement or attachment.
- 4.2 The security hereby created by hypothecation shall be deemed to be created immediately on signing of this Agreement or delivery of the Product(s) to the Borrower(s), as the case may be whichever is earlier. In case of the Product(s) already owned by the Borrower(s) details of the Product(s) shall be given by the Borrower(s), simultaneously with the execution hereof. The said details shall be deemed to form part and parcel of this Agreement.
- 4.3 The charge by way of hypothecation hereby created on the Products(s) shall be a security for: (a) the due payment / repayment by the Borrower(s) of the Loan, Instalments, EMIs, all costs, charges (including pre-payment charges, charges for grant of various consents / NOC/ approvals/ intimations by VWFPL), expenses and all other monies payable in respect of the Loan;(b)the due observance, performance, and discharge by the Borrower(s) of all covenants and obligations hereof; (c) costs (including between advocate and client), charges (including those stipulated in Annexure I as applicable), or as may be specified by VWFPL from time to time, Cheque /ECS/NACH Swapping Charges, Cheque /ECS/NACH Bouncing

Charges, or charges in relation to PDC Method / ECS/NACH Method, Standard Instructions being returned, revoked or cancelled, expenses (including remuneration/ fees of consultants/ appraisers/ inspectors/ valuers/ auditors, collection agency or any representative of VWFPL, out of pocket expenses payable to them), or other monies paid or incurred by VWFPL in connection with the insurance, protection, preservation (including rentals, property taxes, godown charges/ safe – keeping charges, maintenance, serving, outgoings), observance, enforcement, or realization of the security and for recovery of their respective dues;(d) further interest on arrears, taxes, charges / fees payable in respect of any other products/ services;(e) the payment and discharge of all indebtedness whatsoever or promissory notes or instruments at any time drawn made accepted or endorsed by the Borrower(s) solely or jointly with others which VWFPL may discount or become interested in together with all interests, discount, commissions, charges, costs (including between advocate and clients) and expenses payable to or incurred by VWFPL in relation thereto; and (f) any indebtedness whatsoever of the Borrower(s) at any time for or in respect of monies borrowed, contracted or raised (whether or not for cash consideration), or liabilities contracted by whatever means (including under guarantees, indemnities, acceptance, credits, hire-purchase and leasing) by Borrower(s) or by a person or entity related to or connected with the Borrower(s) from VWFPL(hereinafter collectively referred to as "**Borrower(s) Dues**").

- 4.4 The Borrower(s) undertakes to create such other or further security as may be stipulated by VWFPL, in such form and manner as is satisfactory to VWFPL. The term Product(s) shall include such other / further security and all the obligations/ covenants/ undertakings/ representations and warranties applicable to the Product(s) shall be applicable to such other / further security and the term the Products(s) must be construed accordingly.
- 4.5 The charge /hypothecation hereby created by the Borrower(s) shall continue in full force till all the amounts due under the terms of this Agreement or the Borrowers Dues have been fully paid or discharged by the Borrower(s) to VWFPL and until VWFPL issues a 'No Objection Certificate'. The security hereby created and the liability / obligation of the Borrower(s) shall not be affected, impaired or discharged by the winding up, or insolvency, or by merger, amalgamation, reconstruction, or takeover of the management, dissolution or appropriation of the business or assets of the Borrower(s).
- 4.6 The Borrower(s) shall further be liable for any loss or damage caused to the Hypothecated Asset for any reason whatsoever, including theft, damage by weather, or deterioration in quality. The Borrower(s) shall duly use, operate, maintain, and keep the Hypothecated Assets in a state of good repairs and sound working condition under the Borrower(s) own possession and control and shall not enter into any agreement / arrangement whatsoever with any person, body or authority for the use, transfer, or disposal of the Hypothecated Assets without prior written consent of VWFPL. Wherever required by VWFPL, the Borrower(s) shall arrange for / enter into annual maintenance contracts with the manufacturers / suppliers of the Hypothecated Assets to the satisfaction of VWFPL and shall keep such maintenance contracts renewed and subsisting for as long as any amounts remain due and payable to VWFPL.
- 4.7 If at any time during the subsistence of the Agreement, VWFPL is of the opinion that any of the security provided by the Borrower has become inadequate to cover the balance of the Loan then outstanding, then on VWFPL's advise, the Borrower(s) shall provide and furnish such additional security/securities including hypothecation of the Borrower(s)' other assets and/or mortgage of or charge over such of the Borrower(s)' movable or immovable properties as may be acceptable to VWFPL to cover such deficiency.
- 4.8 The Borrower(s) shall keep the Hypothecated Assets free from any and all liens, charges and encumbrances whatsoever, save and except for the first and exclusive charge created / to be created in favour of VWFPL, and the Borrower(s) shall not hypothecate, mortgage, pledge, charge, encumber, sell, assign, transfer, hire, lease, let out or otherwise part with possession of the Hypothecated Assets in any manner whatsoever and execute at their costs, all such acts, things, deeds, and documents for further and more fully assuring and hypothecating the goods or any part thereof as shall be required by VWFPL for giving better title to these presents.
- 4.9 The Borrower(s) shall keep the Hypothecated Assets fully and comprehensively insured from time to time against all risks such as accident, fire, lightning, earthquake, riots, civil commotion, war, theft, pilferage, unlimited third party liabilities, and such other risks as may be stipulated by VWFPL from time to time, to the extent of full market value thereof. The

insurance policy to be taken out hereunder shall be either in the joint names of the Borrower(s) and VWFPL or in the name of the Borrower(s) and VWFPL shall be described as loss payee under such insurance policy. The Borrower(s) shall duly and punctually pay all the premium on such policies as and when due and shall produce before VWFPL for inspection of the original premium receipts and furnish duly certified copies thereof for VWFPL's record. The Borrower(s) shall ensure that such policies of insurance are kept alive during the subsistence of the security and the Borrower(s) shall not do or permit to be done anything by reason of which such insurance may be cancelled.

- 4.10 On default of the Borrower(s) to keep the Hypothecated Assets insured as aforesaid and obtain insurance policies and / or furnish proof of the same, VWFPL may, at its discretion, but without any obligation to do so, effect insurance of the Hypothecated Asset and/or pay the premium in respect thereof and the Borrower(s) hereby undertakes to reimburse VWFPL on demand all the amounts paid and/or incurred by VWFPL in doing so and on default of payment of such amounts by the Borrower(s), VWFPL shall be at the liberty to debit such amounts to the accounts of the Borrower(s) with VWFPL and such amounts shall carry interest at the same rates as provided in the Annexure I hereto.
- 4.11 In the event of any loss or damage to the Hypothecated Assets due to any accident, VWFPL shall have the first claim on any insurance proceeds and the insurance proceeds so received may, at the sole and absolute discretion of VWFPL, be utilized in replacement or repair of the damaged Hypothecated Asset or applied towards Borrower(s) Dues in terms hereof or such other manner as deemed fit by VWFPL. Further, in the event of any total loss / damage to the Hypothecated Assets, if the claim amount settled by the insurance company is less than the total outstanding Borrower(s) Dues, the Borrower(s) shall immediately pay all the balance outstanding amounts. The Borrower(s) hereby irrevocably authorizes VWFPL to act on the Borrower(s)' behalf, at the Borrower(s)' sole risks and costs, and to take all necessary steps, actions and proceedings as VWFPL deems fit to safeguard its interests: (i) to adjust, settle, compromise, or refer to arbitration any dispute arising under or in connection with any insurance and such adjustment, settlement, compromise, and any award made on such arbitration shall be valid and binding on the Borrower(s), and (ii) to receive all monies payable under any such insurance or under any claim made thereunder and to give a valid receipt therefor and apply such proceeds in accordance with the terms hereof or in such other manner as deemed fit by VWFPL.
- 4.12 The Borrower(s) shall not be entitled to raise any claim against VWFPL in case VWFPL chooses not to take any action in relation to the insurance claims or proceedings and/or on the grounds that a larger sum or amount of claims / settlement might or ought to have been received or be entitled to dispute the liability of the Borrower(s) for the balance amount of Borrower(s) Dues remaining due after such adjustment.
- 4.13 The Borrower(s) shall produce the Hypothecated Assets before VWFPL, its employee, representative or its agents whenever called upon by VWFPL to do so, to enable VWFPL to take inspection of the said Hypothecated Assets. The Borrower(s) further agrees that VWFPL and its authorized representatives, servants and agents shall be entitled to take inspection of the Hypothecated Assets at all times and shall for the purpose thereof be entitled without any notice, to enter upon the premises, godowns, or garages where the Hypothecated Assets are lying or kept.
- 4.14 The Borrower(s) shall not use the Hypothecated Assets himself or through his servants / agents for any unlawful and illegal activity and shall not do nor permit to be done, any act, or thing which may render such insurance policy invalid.
- 4.15 If required and directed by VWFPL, the Borrower(s) shall affix a plate / sticker on the Hypothecated Assets indicating the fact of charge on the Product(s) in favour of VWFPL, which such plate / sticker shall be constantly affixed on the Product(s) for so long as any portion of the Borrower(s) Dues remains unpaid.

5 Borrower(s) Representations, Warranties, and Covenants :

- 5.1 The Borrower(s) hereby represents, warrants that:(a) All the particulars and details given/filled in the Application Form and documents submitted along with the Application are true correct, complete and up to date in all respect and no material detail has been concealed which would have an effect on the decision of grant of the Loan; (b) The officer/s of the Borrower(s) executing this Agreement and the documents to be executed in pursuance hereof are duly and properly in office and fully

authorised to execute the same; (c) The Borrower(s) have full power, capacity, and authority to execute, deliver, and perform this Agreement and have taken all necessary action (corporate, statutory or otherwise) for the authorization, execution, delivery, and performance of this Agreement; (d) All the necessary approvals for availing of the Loan(s) have been obtained and will at all times, till the amounts due to VWFPL are paid in full and the entire Borrower(s) Dues is fully repaid, keep all such permissions valid and subsisting; (e) It has not taken any corporate action nor has any steps been taken or legal proceeding been initiated or threatened against the Borrower(s) for its winding up, insolvency, dissolution, administration, reorganization, or for appointment of receiver, administrator of the Borrower(s), or all or any of its assets or undertakings; (f) As of the date of this Agreement, there is no litigation, proceedings or disputes pending or threatened against or affecting the Borrower(s) which could have a substantially adverse effect on any of the collateral, Borrower(s), its business or operations, or its ability to perform its obligations under this Agreement, each promissory note, and other security documents executed by the Borrower(s) from time to time; and (g) Neither the Borrower(s) nor any of their director / partner / member, as the case may be, has been declared to be a defaulter / willful defaulter. The Borrower(s) shall not induct a person who is a director / partner / member of an entity identified as defaulter / willful defaulter. In the event such a person is found to be a director / partner / member of an entity identified as defaulter / willful defaulter, the Borrower(s) shall take expeditious and effective steps for removal of such a person.

5.2 The Borrower(s) hereby further represents, warrants and covenants as under:

- i) The Borrower(s) shall be solely and exclusively responsible for the quality, condition, fitness, and performance of the Product(s) and for getting / ensuring delivery of the Product(s) from the manufacturer / dealer / seller, as the case may be, and VWFPL shall not be liable or responsible for any delay in delivery (or non-delivery) of the Product(s), or any demurrage cost, or for any defect, or variation in the quality, condition, or fitness, or performance of the Product(s) or any guarantees or warranties given by the manufacturer / dealer / seller in respect thereof. VWFPL shall not be liable for or bound by any representations or warranties whatsoever made by manufacturer / dealer / seller or any agent of such manufacturer / dealer / seller in respect of the Product(s). The Borrower(s) shall not engage any person other than the authorized mechanics/ service centre(s) of the manufacturer or dealers/suppliers to carry out the repairs, if any to Product(s). The Borrower(s) shall, within three (3) days from the date hereof or delivery of the Product(s) (whichever is later) supply the invoice copy to VWFPL and have such Product(s) registered with the appropriate Registering Authority under the Motor Vehicles Act, 1988 along with an endorsement in favour of VWFPL indicating the fact that such Product(s) is exclusively charged/ hypothecated in favour of VWFPL, and submit a certified copy of the Registration Certificate to VWFPL within three (3) days from the date of Registration of the Product(s) and in any case within sixty (60) days of from the date delivery of the Product(s). The Borrower(s) undertakes that Registration Certificate of the Product(s) shall be endorsed in the name of "Volkswagen Finance Private Limited" with the following wordings "the products(s) described above is/ are held and hypothecated under the Loan Agreement with Volkswagen Finance Private Limited, Silver Utopia, 3rd Floor, A wing, Cardinal Gracious Road, Chakala, Andheri east, Mumbai 400 099".
- ii) The Borrower(s) shall not without the prior written permission of VWFPL change the use of the Products(s) from personal to commercial or vice versa. The Borrower(s) shall also obtain all necessary permissions /licences from the concerned authorities for plying / using the Product(s) across / in the State or area in which such Product(s) is/are registered. Where full details of the Product(s) (such as engine number / chassis number / serial number/ registration number, etc. as required to be specified in Annexure I) are not available at the time of executing this Agreement, the Borrower(s) shall furnish all such details of the Product(s) to VWFPL, in such format as specified by VWFPL, within 3 (three) days of delivery of the Product(s) or receipt of such details from the appropriate authority/person.
- iii) Where any facility has been availed of for foreclosing an existing loan against any Product(s) then the Borrower(s) shall within 3 days from disbursement of the Loan get the previous charge removed from the Registration Certificate and the records of the Registering Authority and have the Product(s) re- registered with such Registering Authority.

Further, the Registration Certificate must bear the endorsement as mentioned in Clause 5.2 (i) and the other terms thereof shall mutatis mutandis apply.

- iv) The Borrower(s) shall comply with all laws, rules, and regulations (statutory or otherwise) applicable to the Borrower(s)' occupation, business and operations as well as those relating to the Product(s) and its use and shall obtain, and keep effective at all times, all necessary insurance, licenses, registrations, permissions, approvals, and consents for the storage, use, and operation of the Product(s). In cases where the Product(s) is/are to be imported, the Borrower(s) shall obtain all necessary import licenses and all necessary information regarding the final quote, eligibility, scope, and validity of import of the Product(s) under the Open General License, and shall from time to time promptly notify VWFPL of all changes in import policy, eligibility criteria and scope of imports affecting the import of the Product(s).
- 5.3 The Borrower(s) agrees that VWFPL reserves the right to: (i) offer them, in the event the accounts have been maintained in good standing as per the credit norms of VWFPL, certain facilities, memberships and services at such fees and on such terms and conditions as it may deem fit; (ii) waive or reduce the fees and to withdraw such benefit at any time without prior notice to the Borrower(s) and without any liability to VWFPL. Any termination of the Loan because of a violation of this Agreement shall result automatically in the termination of such facilities memberships and services.
- 5.4 The Borrower(s)' liability for repayment and discharge of the Borrower(s) Dues shall, in cases where more than one Borrower(s) have jointly applied for the Loan, be joint and several and co-extensive irrespective of whether or not the Product(s) is / are jointly registered in the names of all the Borrower(s). Where the Borrower(s) is an individual doing business as a sole proprietary concern, the Borrower(s) shall be solely responsible for the liabilities of the aforesaid concern and will be personally liable for making repayment / payments of all amounts in respect of the Loan to VWFPL.
- 5.5 Each of the representations, declarations, warranties, and confirmations set out herein or otherwise made by them are true, correct, valid, and subsisting in every respect as of the date of this Agreement, and shall continue to be so during the tenure of the Agreement, and shall survive the execution and delivery of this Agreement, and the repayment / payment / discharge in full of the Borrower(s) Dues.
- 6 **Positive / Negative Covenants :**
- 6.1 The Borrower(s) covenants with VWFPL as under:
- 6.1.1 To utilize the entire Loan for the Purpose and none else;
- 6.1.2 To regularly and punctually pay / repay and discharge all Loans, Instalments, Borrower(s) Dues including remuneration to valuers/ auditors/ VWFPL's agents/ representatives, costs, or monies incurred by VWFPL towards the insurance/ inspection / valuation/ verification of the compliance by the Borrower(s) of the terms hereof, taxes together with interest thereon at the rate of further interest specified in Annexure I from the date of payment by VWFPL till re-reimbursement thereof by VWFPL the Borrower(s), till then the same shall be a charge on the Borrower(s)' assets;
- 6.1.3 For the present Loan the Borrower(s) shall:
- a) complete the purchase of the Products(s) as indicated by him in the Loan Application Form and submit to VWFPL the Tax invoice and other purchase documents;
- b) notify VWFPL in writing any event / circumstances which might delay the purchase of the Products(s);
- c) bear the entire stamp duty applicable on this Agreement / Transaction Documents or any other instrument.
- 6.1.4 To promptly notify VWFPL orally as well as in writing of :
- i) any theft of or loss or damage to any of the Products(s) due to any event, circumstance, or act of God;
- ii) any material adverse effect over the rights of VWFPL under this Agreement;

- iii) any action or steps taken or legal proceedings started by or against the Borrower(s) in any court for winding-up, dissolution, insolvency, bankruptcy, administration, or re- organisation, or for the appointment of a receiver, administrator, or similar officer of / over the Borrower(s) or its assets;
 - iv) any litigation, arbitration, administrative, or other proceedings initiated or threatened against the Borrower(s), its property, or any of the Products(s), or affecting its ability to discharge Borrower(s) Dues;
 - v) death of any of the Borrower(s) (or any of its partners / trustees / directors) and /or Co- Borrower(s) or other Borrower(s);
 - vi) any changes whatsoever (i) in the constitution of the Borrower(s) or its business, (iii) in the authorized signatory of the Borrower(s), (iii) in the Borrower(s) employment, business, or profession, (iv) in the location / address (a) of any of the Borrower(s), or their offices, or residences or place of business, or (b) of the place where the Product(s) is/are stored/parked;
 - vii) Please note that in case failure on part of the Borrower(s) to update the new address to the VWFPL, VWFPL will consider the address updated with its records as final and accordingly charge GST.
 - viii) the occurrence/ existence of any event which constitutes or results in any declarations, representation, warranty, covenant, or condition hereof or any other Transaction Documents being untrue or incorrect in any respect;
- 6.1.5 To promptly deliver to VWFPL: (a) copies of all documents issued by the Borrower(s) to all its creditors (or any general class of them) at the same time as they are issued; (b) such statements / information / accounts / records / reports / documents, financial or otherwise, as may be required by VWFPL, from time to time, in relation to the Borrower(s) Dues, the Borrower(s)' business and operations, assets etc. within the period specified by VWFPL;
- 6.1.6 To keep and maintain proper books of accounts regarding the Products(s) and Borrower(s)' business and produce original documents as VWFPL may demand whether relating to the Products(s) or the Borrower(s) or otherwise;
- 6.1.7 To maintain its present existence/ constitution (corporate or otherwise) and carry on its business in accordance with all the applicable laws (including legislation, taxation, environmental);
- 6.1.8 The Borrower(s) agrees that the VWFPL may, at the sole risks and costs of the Borrower(s), appoint third party agencies for implementation of any of the provisions of this Agreement or the Transaction Documents or in connection with the Bundled Products (defined hereafter) if opted and availed by the Borrower(s), including (a) timely payment of all Borrower(s) Dues, (b) collection of any document/ record including Registration Certificate/s, RC Book, Sales Invoice, Insurance Policies, Road Tax Receipts issued by Road Transport Office (RTO), ECS/ NACH Mandates, fresh Cheques, Post Disbursal Documents (if not submitted on time) from the Borrower(s), manufacturer/ dealer/ seller, any concerned authorities, or any concerned third parties, (c) enforcement of any or all security provided by the Borrower(s). The Borrower(s) agree to fully co-operate with such agencies and acknowledge that such agencies shall be entitled to visit the Borrower(s) residences or offices or any other place on mutually agreed terms or make phone calls or otherwise contact the Borrower(s). The costs and fees of such third agencies and the further expenses incurred by them shall be borne and paid by the Borrower(s) alone.
- 6.1.9 The Borrower(s) agrees that VWFPL or its agents may issue e-receipt or e-communication to the Borrower(s) in respect of the payment of moneys towards the Loan.
- 6.2 **Negative Covenants**
- The Borrower(s) hereby covenants and agrees that until all monies due and payable by the Borrower(s) under the Agreement are fully paid off to the satisfaction of VWFPL, without approval of VWFPL the Borrower(s) shall not:
- 6.2.1 Undertake or permit any merger, de-merger, consolidation, reorganization, scheme of arrangement, or compromise with its creditors, or shareholders, or effect any scheme of amalgamation or reconstruction;
- 6.2.2 Declare or pay any dividend or authorize or make any distribution to the shareholders (a) unless it has paid all the dues in respect of the Loan upto the date on which the dividend is proposed to be declared or paid or has made satisfactory

provisions therefor, or (b) if an Event of Default has occurred and is subsisting or would occur as a result of such declaration or payment of dividend or authorization or making of distribution.

- 6.2.3 Sell, transfer, lease, or otherwise dispose off, or deal with the Hypothecated Assets or alter the Hypothecated Assets or any part thereof;
- 6.2.4 Not to change its authorized signatory without the prior written consent of VWFPL which consent may be granted by VWFPL on such terms as it may deem fit;
- 6.2.5 Not to stand as surety for anybody or guarantee the repayment of any loan, overdraft, or the purchase price of any asset.

7 Events of Defaults

- 7.1 The occurrence of any one or more of the following events or events similar thereto, shall each constitute an “**Event of Default**”:-
 - 7.1.1 Default in payment /repayment of principal or interest or Instalments or any part of thereof On Due Dates (whether at the stated maturity, by acceleration or otherwise) or any other monies payable under this Agreement. :-
 - 7.1.2 Default (other than a payment default) has occurred in performance of any covenant, condition, obligations, or undertaking under this Agreement or the Transaction Documents on the part of the Borrower(s), guarantor or any other person and such default has continued for a period of 7(seven) days after the notice in writing thereof has been given to the Borrower(s) or as the case may be to any other person by VWFPL (except where VWFPL is of the opinion that that such default is incapable of remedy or the security is in imminent danger ,in which case, no notice shall be required).
 - 7.1.3 Failure by the Borrower(s) to (i) keep the Hypothecated Assets full and comprehensively insured from time to time and punctually pay the insurance premium on such policies as and when due ; and (ii) Road Tax , as and when due for payment.
 - 7.1.4 Failure to provide (i) insurance policy of the Product(s) with endorsement of hypothecation in favour of VWFPL as per clause 4.10 and clause 5.2(i) of the Agreement; (ii) invoice and Registration Certificate(RC) to VWFPL within the stipulated time as mentioned in Clause 5.2.(i) of the Agreement.
 - 7.1.5 Without VWFPL’s written consent, the Borrower(s) sells, transfers, parts with possession, sub-lets, charges, encumbers, creates any lien on, endangers, or alters the Products(s).
 - 7.1.6 Breach of any representation, warranty, declaration, clauses, or confirmation under this Agreement or any other Transaction Document has occurred / been committed and/or the Borrower(s) have committed any fraud / failed to submit/suppressed any material information as required under this Agreement or the Transaction Documents.
 - 7.1.7 The Borrower(s) or guarantors, if any, have, or there is a reasonable apprehension that the Borrower(s)/guarantors have or would, voluntarily or involuntarily, become the subject of proceedings under any bankruptcy or insolvency law, or is voluntarily or involuntarily dissolved, becomes bankrupt or insolvent or if the Borrower(s)/Guarantors has/have taken or suffered to be taken any action for his / her / their / its reorganization, liquidation or dissolution or insolvency or bankruptcy or if a receiver or liquidator has been appointed or allowed to be appointed of / over all or any part of the Hypothecated Assets and/ or any other properties of the Borrowers or if an attachment or distraint has been levied on the Hypothecated Assets or the Borrower(s) other assets or any part thereof or certificate proceedings have been taken or commenced for recovery of any dues from the Borrower(s), or if one or more judgements or decrees have been rendered or entered against the Borrower(s).
 - 7.1.8 Death / Dissolution of the Borrower(s) or any one of them or if the Borrower(s) ceases or threatens to cease to carry on any of its businesses or gives notice of its intention to do so or if all or any part of the assets of the Borrower(s) required or essential for its business or operations are damaged or destroyed or there occurs any change from the date of this Agreement in the general nature or scope of the business, operations, management, or ownership of the Borrower(s), which could have a material adverse effect. Market reports indicating poor creditworthiness of the Borrower(s).
 - 7.1.9 The Hypothecated Assets is / are (or is / are sought to be) confiscated, attached, taken into custody by any official, authority or any other person, or made the subject of any legal or execution proceedings or the Hypothecated Assets is / are endangered ,

stolen, damaged due to any accident, destroyed for any reason whatsoever, are untraceable for any reason whatsoever, or suffer loss.

- 7.1.10 The Hypothecated Assets depreciate in value to such an extent that VWFPL is of the opinion that further security should be given and such further security is not given on written demand.
- 7.1.11 If the security, if any, for the Loan is in jeopardy or ceases to have effect or becomes illegal, invalid, unenforceable, or otherwise fails or ceases to be in effect.
- 7.1.12 It is or becomes unlawful for the Borrower(s) or any person (including VWFPL) to perform any of their respective obligations under this Agreement and/or any other Transaction Document.
- 7.1.13 The Borrower(s) is/are unable or has admitted in writing its inability to pay any of its Borrower(s) Dues as they mature or when due and /or demanded by VWFPL.
- 7.1.14 An event of default howsoever described (or any event which with the giving of notice, lapse of time, determination of materiality, or fulfilment of any other applicable condition or any combination of the foregoing would constitute an event of default) occurs under any agreement or document relating to any indebtedness of the Borrower(s) or if any other financial institutions or banks with whom the Borrowers has/have entered into agreements for financial assistance have recalled its / their assistance or any part thereof.
- 7.1.15 One or more events, conditions, or circumstances (including any change in law) occur or exist, which in the sole opinion of VWFPL, could have a material adverse effect on the ability of the Borrower(s) to pay / repay the Loan.
- 7.1.16 he Borrower(s) does not take delivery of the Products(s) from the dealer or manufacturer within 7 days of disbursement of the Loan.
- 7.2 The Borrower(s) shall promptly notify VWFPL in writing upon becoming aware of any default and any event which constitutes (or with the giving of notice, lapse of time, determination of materiality or satisfaction of other conditions, would be likely to constitute) an Event of Default and the steps, if any, being taken to remedy it. The decision of VWFPL as to whether or not an Event of Default has occurred shall be final and binding upon the Borrower(s).

8 Rights and Remedies of VWFPL

- 8.1 Upon occurrence of any of the Events of Default, as aforesaid, then notwithstanding anything to the contrary herein contained, VWFPL through its officers, agents, or nominees, shall be entitled to, at its sole and absolute discretion, exercise or do any one or more of the following:
- a) Declare that the obligation of VWFPL to make or continue to make the Loan available, stands terminated; and/or
 - b) Declare that the Loan and all interest accrued and all costs, charges, expenses and other sums outstanding under this Agreement and the Loan are immediately due and payable to VWFPL, whereupon the same shall become immediately due and payable by the Borrower(s) and the Borrower(s) shall pay all the amount due and payable under the Loan and /or this Agreement in accordance with the terms of the notice without any further notice or other legal formalities of any kind; and / or
 - c) Invoke the guarantee, if any; and/or
 - d) Exercise any right, power, or remedy permitted to it by law, including by suit, in equity, or by action at law, or both, or otherwise(including appointment of receiver) , whether for specific performance of any covenant, condition or term contained in this Agreement or for an injunction against a violation of any of the terms and conditions of this Agreement, or in aid of the exercise of any power or right granted in this Agreement; and/or
 - e) If the Event of Default, including default in repayment of the Loan or any part thereof, continues, for a period of fifteen (15) days, VWFPL shall have the right to declare the security created in terms of / pursuant to this Agreement and/or the other Transaction Documents to be enforceable, and by giving a written notice of seven (7) days to the Borrower(s), repossess the Hypothecated Assets, wherever it may be lying, without the intervention of the court or

any judicial proceedings (notwithstanding anything to the contrary contained in this Agreement and/or the other Transaction Documents and irrespective of whether the entire Loan or Borrower(s) Dues has / have been recalled), and for the aforesaid purpose VWFPL shall be entitled :-

- i) to enter upon the premises, garage or godown where the Hypothecated Assets may be kept or lying and to take possession of the Hypothecated Assets and transfer or move it, without any liability accruing to VWFPL and/ or its representatives, from said premises garage or godown and keep / store / park it with VWFPL's representative at the Borrower(s)' risks, cost and consequences. However, VWFPL shall not be bound to give any notice to the Borrower(s) for repossession of the Hypothecated Assets, in the event the VWFPL believes that Hypothecated Assets is in jeopardy and any further delay would imperil the interests of VWFPL;
- ii) Pursuant to VWFPL taking possession of the Hypothecated Assets, as aforesaid, VWFPL, shall give prior notice of seven (7) days to the Borrower(s) thereby informing the Borrower(s) of its intention to dispose off the Hypothecated Assets and giving the final opportunity to the Borrower(s) to repay the entire Borrower(s) Dues and take back the possession of the Hypothecated Assets. In the event the Borrower(s) fails to comply with the final notice, VWFPL may proceed to take all necessary steps as fully and effectively as the Borrower(s) could take to dispose off the Hypothecated Assets, by way of sale by public auction or private contract or otherwise, at the risk and cost of the Borrower(s) in all respect , on such terms and conditions and for such consideration as VWFPL may deem fit and /or hold, upon such terms, the Hypothecated Assets or use, operate, lease to others or keep idle, give on hire such Hypothecated Assets all free and clear of any rights to the Borrower(s) and without any duty to account to the Borrower(s) for such action or inaction. VWFPL shall not be liable for any loss, deterioration of or damage to the Hypothecated Assets on any account whatsoever whilst the same are in the possession of VWFPL or by reason of exercise or non-exercise of any rights and remedies available to VWFPL as aforesaid VWFPL shall have the power to rescind or vary the contract of sale without being bound or answerable for any loss or diminution in value and without being bound to exercise any of the powers hereby conferred or being liable for any loss occasioned by the exercise of any such power and to give effectual receipts and discharge for the purchase money and do all such acts and things for completing the sale as VWFPL may think proper. The Borrower(s) shall not raise any objection to the regularity of any sale or other disposition made by the VWFPL nor VWFPL shall be responsible for any loss that may arise from any act or default on the part of the any broker or auctioneer or other person or body employed by VWFPL for the purpose of sale or disposition of the Hypothecated Asset.

8.2 In the event of there being surplus available in the hand of VWFPL after payment in full of the balance due to VWFPL under this Agreement, it shall be lawful for VWFPL to retain and apply the surplus together with any money or monies belonging to the Borrower(s) for the time being in the hands of the VWFPL in or under whatever account as far as shall extend against in or liquidation of any and all monies that may be due from the Borrower(s) to VWFPL , whether solely or jointly with any other person or persons , firms , company by way of loans, discounted bills , guarantees , charges or any other debts or liability including bills , notes , credits and other obligations, current though not then due and payable or other demands legal or equitable along with interest thereon which VWFPL may have against the Borrower(s) or which the law of set -off or by way of mutual credit. In the event the amounts realized from the sale of the Hypothecated Assets, or otherwise in accordance with this Agreement and the other Transaction Documents, are insufficient to repay the total outstanding Borrower(s) Dues to VWFPL in full, the unpaid amounts remaining due to VWFPL shall be immediately payable by the Borrower(s) in such manner as VWFPL may in its sole discretion decide and such payment shall be made by the Borrower(s) accordingly.

8.3 VWFPL shall be entitled, at the sole risk and cost of the Borrower(s), to engage one or more agents/ person(s) to collect the Borrower(s) Dues, or to enforce any and all security provided by the Borrower(s), or for the purposes mentioned in Clause 6.1.8 above, or in relation to any of the Bundled Products (defined hereafter) opted by the Borrower(s) and VWFPL may (for such purposes) furnish to such person(s) such information, facts and figures pertaining to the Borrower(s), the security

- and/or the Hypothecated Assets as VWFPL deems fit. VWFPL may also delegate to such person(s) the right and authority to perform and execute all acts, deeds, matters and things connected therewith, or incidental thereto, as VWFPL deems fit.
- 8.4 The Borrower(s) authorises VWFPL's collection agents/ representatives to visit their residence or office or any other place on mutually agreed terms and make calls to them in connection with the terms hereof or the re-payment obligations of the Borrower(s).
- 8.5 If anyone (or more) Events of Default shall have occurred, then VWFPL shall, in addition to the various rights and remedies of VWFPL referred to in the clauses above, be irrevocably entitled and authorized to contact and require the Borrower(s)' employer to make deduction/s from the salary / wages payable by the employer to the Borrower(s) and to remit the same to VWFPL until all of the Borrower(s) Dues outstanding from the Borrower(s) to VWFPL is / are completely discharged. The deductions shall be of such amounts, and to such extent, as VWFPL may communicate to (and instruct) the Borrowers' employers. The Borrower(s) shall not have, or raise / create, any objections to such deductions. No law or contract governing the Borrower(s) and/or the Borrower(s)' employer prevents or restricts in any manner the aforesaid right of VWFPL to require such deduction and payment by the Borrower(s) employer to VWFPL, provided however that in the event the said amounts so deducted are insufficient to repay the outstanding Borrower(s) Dues to VWFPL in full, the unpaid amounts remaining due to VWFPL shall be paid by the Borrower(s) in such manner as VWFPL may in its sole discretion decide and the payment shall be made by the Borrowers accordingly.
- 8.6 In addition to VWFPL's various rights as specified in the preceding provisions above, VWFPL shall also be entitled to appoint: (i) any person engaged in technical, management, or any other consultancy business to inspect and examine the working of the Borrower(s) and/or the assets including its premises, factories, plants, and units and to report to VWFPL; (ii) any Chartered Accountants / Cost Accountants as auditors for carrying out any specific assignments or to examine the financial or cost accounting system and procedures adopted by the Borrower(s) for its working or as concurrent or internal auditors, or for conducting a special audit of the Borrower(s).
- 8.7 Notwithstanding any suspension or termination of the Loan, all rights and remedies of VWFPL as per this Agreement and other Transaction Documents shall continue to survive until the receipt by VWFPL of the Loan or the Borrower(s)' dues in full and complete discharge of the Borrower(s) Dues.
- 8.8 In addition and without prejudice to what is stated above, the Borrower(s) shall be liable for all legal and other expenses resulting from foregoing default from exercise of VWFPL rights including but not limited to possession of any of the Hypothecated Assets and/or collection recovery of amount payable by the Borrower(s).
- 8.9 In case VWFPL takes possession of the Products(s) or recalls the Loan upon / after the occurrence of an Event of Default, and the Borrowers requests VWFPL to accept part payment/s of the Borrower(s) Dues and to permit the Borrower(s) to continue repaying the Instalments in future and to take redelivery of the Products(s) from VWFPL (or its representatives), VWFPL may entertain / accept such requests upon such further terms and conditions as VWFPL may think fit and proper in its sole discretion. Any decision taken by VWFPL not to allow such request/s of the Borrower(s) shall be final and binding on the Borrowers.
- 8.10 No remedy referred hereinabove is intended to be exclusive, but the same shall be in addition to any other remedy available to VWFPL at law. VWFPL reserves the rights to appoint banker/s or financial institution/s or any other persons it deems fit as their attorney/s for the purpose of enforcing their right and remedies under this Agreement.
- 8.11 Notwithstanding what is mentioned above, in case after taking repossession of the Products(s) due to default of the Borrower(s), the Borrower(s) clears/pays the outstanding dues as on that date and further undertakes to pay the instalments regularly on its Due Date, then VWFPL shall return the repossessed Products(s) to the Borrower(s) and the Loan shall continue, other than in case of Borrower(s) with intentional/ habitual default
- 8.12 The Borrower(s) agrees to pay all charges mentioned in this Agreement including the Annexures hereto or any of the Transaction Documents. The Borrower(s) also agrees to pay all costs/ expenses/ charges / fees in connection with the enforcement of VWFPL's rights including cheque bouncing charges, visit charges, repossession charges, legal charges,

parking charges, charges of agencies hired for disposal of the Hypothecated Assets, warehouse/ storage charges, auction charges, expenses for making the Hypothecated Assets marketable or for its preservation (including insurance, taxes etc.), if incurred, or any expense otherwise howsoever incurred in relation to the Hypothecated Assets and other miscellaneous charges either due to default of the Borrower(s), or at the time of repossession of the Hypothecated Assets, or post repossession thereof.

- 8.13 A notice of demand by VWFPL against the Borrower(s) shall be final and conclusive evidence that the Borrower(s) has/ have committed a default and that the moneys and the amount claimed thereunder is due and payable by the Borrower(s) to VWFPL and the other Borrower(s) shall not be entitled to challenge the notice on the ground that no default has been committed or the amount mentioned therein as due and payable is not payable or on any other ground.

9 **Additional Products**

- 9.1 The Borrower(s) has been informed by VWFPL about the availability of loan and/or facility for collection of insurance premium, Extended Warranty and Maintenance Pack for the additional product(s) [collectively the "**Bundled Product(s)**"]. The Borrower(s) confirms that he is aware that Loan and Bundled Product(s) are available separately and Borrower(s) is/are not obligated to take any of the Bundled Products along with Loan. After independent assessment of the Bundled Products and considering the reduction in cost and benefits of the Bundled Product(s), the Borrower has voluntarily opted to avail the following Bundled Product(s) on the terms and conditions set out in Annexure II to IV.

[Instructions: Borrower(s) to tick () against the chosen Bundled Products and cross () against the rejected Bundled Product. If the Borrower/s opts not to procure any of the Bundled Products, this Clause and Annexures II ,III, and IV shall be inapplicable to the Borrowers and VWFPL]

- i) **Renewal Insurance Premium** :The Borrower(s) has made an independent assessment of the insurance scheme and policies offered by various insurance companies for the Product(s). Upon such independent assessment, the Borrower(s) has opted to avail the scheme for payment of insurance premium for renewal of the Insurance policy of the Product(s) on the terms and conditions set out in Annexure –II to this Agreement. VWFPL shall facilitate collection of moneys to the extent of the Renewal Insurance Premium payable by the Borrower(s) to the Insurance Company in monthly instalments alongwith Loan EMI payable under this Agreement;
- ii) **Extended Warranty** : VWFPL shall facilitate collection of amount to the extent of the Extended Warranty charges in monthly instalments payable by the Borrower/s to the Service Provider alongwith EMI on the terms mentioned in Annexure III and for this purpose the Borrower/s shall execute a Letter in the form annexed to Annexure III;
- iii) **Maintenance Pack** : VWFPL shall facilitate collection of amount to the extent of the Maintenance Pack Charges in monthly instalments payable by the Borrower(s) to its Service Centre/ Maintenance Service Provider alongwith the EMI on the terms mentioned in Annexure IV and for this purpose the Borrower/s shall execute a Letter of Authority in the form annexed to Annexure IV.
- 9.2 The Borrower/s accepts and agrees that in the event they opt for any of the Bundled Products, they shall have no option to change the tenor or duration of the Loan (including any Prepayment or Rescheduling of the Loan).
- 9.3 The Borrowers shall pay and VWFPL shall forward the moneys so collected, to the Insurance Provider and / or the Service Centre, as the case may be, on the terms and conditions set out in Annexure II, III and / or IV respectively.
- 9.4 The Bundled Products provided by VWFPL shall only be in the nature of providing to the Borrower/s a single window clearance system and is and shall not be deemed as a guarantee on the part of VWFPL of the quality in service or otherwise of the Insurance Company and/ or the Service Centre, as the case may be.

- 9.5 The responsibility of VWFPL shall be limited to the extent of forwarding the moneys deposited by the Borrowers to the Insurance Provider and / or the Service Centre within the time agreed and set out in Annexures II, III and/ or IV respectively; and the Borrowers shall not be entitled to claim any reliefs against VWFPL for any defect or deficiency in the quality of service provided by the Insurance Provider and/ or the Service Centre.
- 9.6 In case of default in payment of any installments/ EMI, VWFPL shall at its discretion discontinue such services under the Bundled Products and shall have right to take necessary legal action for recovery of such dues. The arrears shall form a part of the Borrower(s) Dues defined herein above.
- 9.7 VWFPL shall not be liable, in any way, in case of defect or breach in the performance of carrying out any facilities, memberships, services, or the non-performance thereof, whether by VWFPL or any other third party.

10 Indemnity:

10.1 **General:** The Borrower(s) shall, without prejudice any right of VWFPL , indemnify and hold harmless the VWFPL, its directors, officers, employees, consultants, agencies, appointees, or representatives against all costs (including advocates' fee), expenses, penalties, losses, compensation, damage, damages, suits, actions, proceedings, claims, liabilities, consequences of whatsoever nature arising from:

- a) Occurrence of Events of Default, laches, or acts of omission and commission, or breach of this Agreement or the Transaction Documents or any representation, warranty, covenant turning out to be false, misleading, untrue or no longer holding good;
- b) Enforcement of its rights in relation to the Hypothecated Assets.

10.2 GST Indemnity :

10.2.1 The Borrower(s) shall agree to defend, indemnify and hold harmless VWFPL with respect to any liability that may arise on VWFPL due to change in rate of tax governed by GST law. However, reduction in charges/refund of part of the same will be at the discretion of VWFPL in the case of reduction in rate of GST at any point of time.

10.2.2 Further, the Borrower(s) shall also agree to defend, indemnify and hold harmless VWFPL in case of any tax (es) (i.e., IGST or SGST & CGST) paid by VWFPL on/for 'the product' or for 'the security' in the course of recovery of dues from the Borrower(s) in case of default or otherwise.

10.2.3 Further, the Borrower(s) shall also agree to defend, indemnify and hold harmless VWFPL in case of tax (es) (i.e., IGST or SGST & CGST) to be paid by VWFPL on any amount charged as but not limited to Cancellation Charges made in accordance with this Agreement. However, notwithstanding anything contained in any law, VWFPL reserves right not to refund the amount pertains to the tax (es) (i.e., IGST or SGST & CGST) charged at the time of entering this Agreement.

10.2.4 The indemnities contained herein shall survive the termination of this Agreement or the Transaction Documents.

11 Constituted Attorney

11.1 The Borrower(s) hereby agrees and appoints VWFPL and its officers, employees, agents, and authorized 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.
- ii) To appear before, correspond or otherwise deal with the Bank/s on which the ECS / NACH Mandates or Cheques are drawn or Insurance Companies with whom the Hypothecated Assets are insured. To represent the Borrower(s) before such Bank/s or Insurance Companies for collection of relevant Forms, Applications, ECS / NACH Mandates, Insurance Policies, Insurance Payment Receipts, or any other documents or information, or for resolving any issue.
- iii) To appear before, correspond or otherwise deal with the manufacturer/ dealer/ seller for the purposes mentioned herein including (a) collection of the price and other amounts as per Clause 1.5 above, (b) collection of the Sale

- Invoice, or (c) possession/ re-possession of the Product(s). To take the possession/ re-possession of the Product(s) and/ or sell/ transfer/ dispose off the same with the help of the manufacturer/ dealer/ seller.
- iv) 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.
- v) To sell, dispose of any of the Hypothecated Assets for and on behalf of the Borrower(s) and at the risk of the Borrower(s) in all respects and to realize full or any part or portion of the sale proceeds thereof and sign and execute all contracts, declarations and instruments as may be necessary or expedient for giving delivery thereof.
- vi) To appear before the office of Regional Transport Officer, Tax Officer, Police Authorities or any other authorities or any authorized person deemed necessary by VWFPL (a) to effect transfer of the Hypothecated Assets /Products (s), (b) to collect any information, or documents (including Registration Certificates, Road Tax Payment Receipts).
- vii) 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.
- viii) To sign all papers, correspondence, vouchers, forms, applications, petitions, receipts, documents, agreements, indentures and writings that the Borrower(s) would be bound to do under or in pursuance of these presents and / or the Loan for and on behalf of the Borrower(s) and to attend before the Regional Transport Officer, Sales Tax Officer, Police Authorities, Sub-Registrar of Assurances or any other relevant authority and admit execution thereof and have the same registered.
- ix) 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(s) could itself do perform or execute.
- x) 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, organizations, or agencies as VWFPL 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.
- 11.2 The Borrower(s) agrees that the above powers may be exercised without any prior notice to the Borrower(s) and further agrees to ratify and confirm all that VWFPL or any substitute or substitutes appointed by VWFPL may lawfully do or cause to be done in exercise of the aforesaid powers.
- 11.3 The Borrower(s) further agrees to give all assistance to VWFPL and its officers and authorized representatives for the purpose of exercising any of the powers here in above set out, including endorsing of documents, signing of papers and doing all such things as may be necessary to enable VWFPL and its officers to exercise all the powers hereby conferred.
- 11.4 The Borrower(s) 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 Loan and/or these presents AND that the Borrower(s) hereby ratifies all and whatever VWFPL, its officers, employees, agents, authorized representatives, or substitutes/s shall lawfully do or cause to be done in the exercise of the powers herein contained.
- 12 Set-Off**
- 12.1 Without prejudice to any rights of VWFPL, VWFPL shall have a paramount lien and right of set-off against all monies of the Borrower(s) standing to the credit of the Borrower(s) in any account(s) of the Borrower(s) with VWFPL and the Borrower(s) authorises VWFPL to debit the account(s) of the Borrower(s) with VWFPL or to apply any credit balance to

which the Borrower(s) is entitled on any account of the Borrower(s) with VWFPL in satisfaction of any sum, whether for principal or interest or otherwise due and payable by the Borrower(s) to VWFPL under this Agreement or under any other agreement entered into with VWFPL.

12.2 Nothing herein contained shall prejudice or adversely affect any general or special lien or right to set-off to which VWFPL is or may by law or otherwise be entitled or any rights or remedies of VWFPL including in respect of any present or future security, guarantee, obligations of the Borrower(s).

12.3 The Borrower(s) further agrees that in addition to and without prejudice to any other right or lien enjoyed by VWFPL, VWFPL will further be entitled at any point of time and without notice to the Borrower(s) to combine or consolidate all or any of the Borrower(s)' accounts (including any fixed deposits) held with VWFPL 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 VWFPL on any account whatsoever, whether such liabilities are actual or contingent, primary or collateral and whether joint or several.

13 **Assignment**

The Borrower(s) shall not assign or transfer all or any of its rights, benefits, or obligations under this Agreement without the written approval of VWFPL. VWFPL may, at any time, assign or transfer all or any of its rights, benefits and obligations under this Agreement and the other Transaction Documents. Notwithstanding any such assignment or transfer, the Borrower(s) shall, unless otherwise notified by VWFPL, continue to make all payments under this Agreement to VWFPL and all such payments when made to VWFPL shall constitute a full discharge to the Borrower(s) from all its liabilities in respect of such payments.

14 **Securitisation**

14.1 The Borrower(s) expressly recognizes and accepts that VWFPL shall be absolutely entitled to, and has full power and authority to sell, assign or otherwise transfer in any manner whatsoever, in whole or in part, and in such manner and on such terms as VWFPL may decide (including if deemed appropriate by VWFPL reserving a right to VWFPL to retain its power to proceed against the Borrower(s) on behalf of the purchaser, assignee or transferee) any or all outstandings and dues of the Borrower(s), to any third party of VWFPL choice without any further reference or intimation or notice to the Borrower(s), and without seeking any consent of the Borrower(s). Any such action and any such sale, assignment or transfer shall bind the Borrower(s) to accept such third party as creditor exclusively or as a joint creditor with VWFPL or any other person, as the case may be. Any costs 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(s). The Borrower(s) shall not assign this Agreement or any of the rights, duties or obligations of the Borrower(s) hereunder, except with prior written consent of VWFPL.

14.2 Without prejudice to the aforesaid provisions of Clause 14.1, VWFPL may (at its sole discretion), without notice to the Borrower(s), share the credit risk of the whole or a part of the Loan or Borrower(s) Dues with any other person by way of participation. Notwithstanding such participation, all rights, title, interests, special status, and other benefits and privileges enjoyed or conferred upon or held by VWFPL under this Agreement and the other Transaction Documents shall remain valid, effective and enforceable by VWFPL on the same terms and conditions and the Borrower(s) shall continue to discharge in full all its obligations under this Agreement and the other Transaction Documents to VWFPL.

14.3 Any cost in this behalf, whether on account of such sale, assignment, transfer, or enforcement of rights and recovery of outstanding dues shall be to the account of the Borrower(s).

15 Cross Default

The Borrower(s) acknowledges that in the event of repayment by the Borrower(s) of the Loan under this Agreement but there being any outstanding by the Borrower(s) under any other financial facility availed by the Borrower(s) from VWFPL, then in such event VWFPL shall not be obliged to release the security created by the Borrower(s) under this Agreement and the Borrower(s) hereby authorizes VWFPL to extend the security to cover such outstanding financial facility. Likewise, in the event of there being any outstanding by the Borrower(s) under this Agreement, VWFPL shall not be obliged to release the security created by the Borrower(s) for any other financial facility availed of by the Borrower(s) from VWFPL and the Borrower(s) undertakes to extend such security to cover the outstanding due under this Agreement

16 Cross Liability

16.1 The Borrower(s) and/ or the Co-Borrower(s) agree and confirm that VWFPL may at its absolute discretion appropriate any payments made by the Borrower(s) and/ or the Co-Borrower(s) under or pursuant to this Agreement towards any other agreement or transaction entered into by the Borrower(s) and/or the Co-Borrower(s) and/or towards any other indebtedness and such appropriation shall be final and binding upon the Borrower(s) and/or the Co-Borrower(s) who shall continue to so remain liable to the VWFPL for payment of dues under this Agreement in respect of which such sums of money were so paid but were appropriated towards another Agreement or transaction entered into by the Borrower(s) and/or the Co-Borrower(s) or towards another indebtedness.

16.2 In addition, notwithstanding the repayment of the Loan balance, the Borrower(s) and/or the Co-Borrower(s) hereby expressly and irrevocably authorize VWFPL to take possession of / sell / transfer or otherwise dispose of any and all security created in favour of VWFPL under this Agreement or any other agreement entered into and between the Borrower(s) and/or the Co-Borrower(s) VWFPL or any other security documents or deposit with VWFPL or under the possession or control of VWFPL and appropriate the same towards satisfaction of amounts due to VWFPL on account of another Agreement or transaction entered into by the Borrower(s) and/or the Co-Borrower(s) or on account of the indebtedness of the Borrower(s) and/or the Co-Borrower(s). The provisions of this Agreement and any security document executed pursuant to this Agreement shall apply mutatis mutandis to the manner of disposal of security and appropriation under this Article.

16.3 It is clarified that the right of set-off and cross-liability can be used for adjusting the amount of one of the Borrower(s) or Co-Borrower(s) against any other.

17 Subordinate Debt

The Borrower(s) does hereby agree declare confirm and undertake that all loans, advances, and other monies advanced by its group companies/ associates/ the directors, partners, and/or their friends and relatives or any of them shall stand and be regarded as subordinate debt in comparison with the Loan hereby granted. The Borrower(s) does hereby further declare and undertake that the Borrower(s) shall not repay any of such loans and advances in whole or in part or pay any interest thereon until such time as the entire outstanding of VWFPL under and in pursuance of the Loan and/or this Agreement are repaid in full.

18 Disclosure Of Information

18.1 VWFPL as it may deem appropriate and necessary, shall be entitled to disclose all or any of the following to Credit Information Bureau (India) Limited (CIBIL) or any other agency authorized in this behalf by RBI, or any statutory authority or bodies, group companies, banks, financial institutions, credit bureaus, agencies, databanks, or potential assigns or any other third party (collectively " **Credit Bureau**"): (i) information and data relating to the Borrower(s); (ii) information/ data/ documents relating to the Loan, its terms, Transaction Documents and/or any other securities furnished by Borrower(s) in favour of VWFPL , their re-payment/ credit history or any obligation assumed / to be assumed by any of them in connection

therewith; (iii) default, if any, committed by the Borrower(s) in discharge of the aforesaid obligations. The Borrower(s) hereby agrees and grants his/her/their consent to submit to VWFPL his/ her/ their Aadhaar details and render full co-operation to VWFPL in having the same authenticated including by submitting himself/ herself/ themselves to any biometric/ physical examination. The Borrower(s) hereby agrees and grants his/her/their consent to (a) the storage by VWFPL of such Aadhaar related details/ documents/ information, and (b) sharing of the same or any of them by VWFPL to any third party including Credit Bureau.

18.2 VWFPL may (a) use or process the aforesaid disclosures or information in any manner as deemed fit by them, (b) furnish, for consideration, the processed information, data, documents or products thereof prepared by them to VWFPL / financial institutions and other credit grantors or registered users as may be specified by RBI in this behalf, or (c) make the same basis for assessing further applications for credit by the Borrower (s) or their family members, or use the same for fraud prevention.

18.3 All information, data, or products furnished by the Borrower(s) to VWFPL from time to time shall be true and correct.

18.4 In case the Borrower(s) commits any default in payment or discharge of the Borrower(s) Dues, VWFPL and/or the Credit Bureau will have an unqualified right to disclose or publish the details of such default along with the name of the Borrower(s) and/or its directors / partners / co-applicants, as applicable, as defaulters in such manner and through such media as VWFPL and/or RBI may, in their absolute discretion, think fit.

18.5 The Borrower(s) shall not hold VWFPL responsible for sharing and/or disclosing the information/ documents now or in the future and also for any consequences suffered by any one of them and/or others by reason thereof. The provisions of this clause shall survive even after the termination of this Agreement and the repayment and discharge of Borrower(s) Dues.

19 Law/Arbitration/ Jurisdiction

19.1 The Loan, this Agreement and the other Transaction Documents shall (unless otherwise specified in this Agreement or any such Transaction Document) be governed by and construed in accordance with the laws of India.

19.2 All disputes, differences and / or claims arising out of these presents or in any way touching or concerning the same or as to constructions, meaning or effect hereof or as to the right and liabilities of the parties hereunder shall be settled by arbitration to be held in accordance with the provisions of the Arbitration and Conciliation Act, 1996 or any statutory amendments or re-enactments thereof and shall be referred to a sole arbitrator to be appointed by VWFPL. In the event of death, refusal, neglect, inability or incapability of a person so appointed to act as an arbitrator, VWFPL shall appoint another person in his place as the arbitrator. The arbitration proceedings shall be held at Mumbai or at such other place as may be selected / decided by VWFPL. The award of the arbitrator shall be final and binding on all parties concerned. The language of the proceedings shall be English.

19.3 Without prejudice to Clause 19.2 above, all legal action/s and/or proceedings arising out of / in connection with this Agreement, the Transaction Documents and the Hypothecated Assets, shall be brought in / before the competent courts or tribunals at Mumbai and the Borrower(s) submits to the exclusive jurisdiction of that court. VWFPL may, however, in its absolute discretion commence any legal action or proceedings arising out of the Agreement in any other court, tribunal or other appropriate forum and Borrower(s) hereby consents to that jurisdiction.

20 Notices

20.1 All notices or other communications under this Agreement or the Transaction Documents shall be given by the Borrower(s) to VWFPL in writing at the addresses specified in the Annexure I. Such notice to VWFPL will be deemed to be effective when actually received and acknowledged by VWFPL. All notices or other communications under this Agreement or the Transaction Documents may be given by VWFPL to the Borrower(s) by hand delivery, courier, facsimile, SMS, or email

to the mobile numbers or addresses specified by the Borrower(s) in Annexure I. Such notice or other communication will be deemed to be effective:

(i) if sent by letter, when delivered personally or if dispatched by post, when recall of the letter is outside the control of VWFPL;

(ii) if sent by facsimile, SMS, or email, upon receipt of sent report by VWFPL.

20.2 In the event of any failure by the Borrower(s) to notify VWFPL in writing of any changes in his contact address or details, service of a notice / correspondence to the address specified in this Agreement then the address last given by the Borrower(s) shall be deemed to be proper and sufficient service on the Borrower(s) irrespective of whether or not such notice shall be returned "unserved" to VWFPL.

21 Miscellaneous

21.1 It is expressly clarified and declared that any manufacturer/ dealer / supplier for the Products(s) by or through whom this transaction may have been introduced, negotiated, or conducted shall not be deemed to be an agent of the VWFPL and VWFPL shall not be liable for any representation or statements made by such manufacture / dealer/ supplier to the Borrower(s).

21.2 The entries made in the account books/ record of VWFPL maintained in accordance with its usual practice and in compliance with statutory requirements and / or a statement signed by a designated officer of VWFPL, shall be final and binding on the Borrower(s). Such entries and / or statement shall be prima facie conclusive evidence of the existence and amount of obligations of the Borrower(s) recorded in respect of the Loan.

21.3 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, except for those provisions of the Letter of Sanction issued prior to this Agreement which are in addition to and complement, and are not in conflict with the terms of this Agreement. 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.

21.4 VWFPL reserves the right to use the information provided by the Borrower(s) in this Agreement and the Transaction Documents and during surveys, information from external sources, including consumer reports, for marketing activities carried out by VWFPL / its affiliates/ group companies. VWFPL may use this information to develop mailing lists that may be used by companies with whom VWFPL shall work to develop marketing offers for the Borrower(s). VWFPL reserves the right to revise the policies, features and benefits offered on the Loan from time to time and may notify the Borrower(s) of any such revisions / changes in any manner as deemed appropriate. The Borrower(s) agrees to be bound by such revisions / changes unless the Loan is repaid / cancelled before the date on which the revisions / changes are made.

21.5 Any provision of this Agreement or any other Transaction Document, which is prohibited or unenforceable in any jurisdiction, shall, as to such jurisdiction, be ineffective to the extent of the prohibition or unenforceability but that shall not invalidate the remaining provisions of this Agreement or such other Transaction Document or affect such provision in any other jurisdiction.

21.6 No delay in exercising or omission to exercise any right, power, or remedy accruing to VWFPL upon any default or otherwise under this Agreement or the other Transaction Documents shall impair any such right, power, or remedy or shall be construed to be a waiver thereof or any acquiescence in such default, nor shall the action or inaction of VWFPL in respect of any default or any acquiescence by it in any default, affect or impair any right, power, or remedy of VWFPL in respect of any other default. The rights of VWFPL under this Agreement and the other Transaction Documents may be exercised as often as necessary, are cumulative and not exclusive of their rights under the general law and may be waived only in writing and specifically and at VWFPL 's sole discretion.

- 21.7 No suit, action, prosecution, or other legal action shall lie against VWFPL or any of its directors, officers, employees, consultants, appraisers, valuers, auditors, agencies for any act done in good faith or intended to be done in pursuance of this Agreement or any Transaction Documents.
- 21.8 The Borrower(s) acknowledges that all details in the Agreement have been filled in the Borrower(s) presence and that he has read and understood all the terms and conditions of the Loan. The Borrower(s) also acknowledges that the aforesaid terms and condition of the Agreement and other documents have been explained to the Borrower(s) in the language understood by the Borrower(s) and the Borrower(s) has understood the entire meaning of the terms and conditions and has affixed his/her signature after verifying and understanding the contents of this Agreement.
- 21.9 The Borrower(s) confirms that a copy of this Agreement and the Transaction Documents have been handed over to each one of them.
- 21.10 All remedies of either party under this Agreement whether provided herein or conferred by any statute, civil law, custom, or trade usages are cumulative and not alternative and may be enforced successively or concurrently.
- 21.11 Unless the context requires a contrary construction, the singular shall include the plural and the plural the singular, and the masculine, feminine or neuter shall include the masculine, feminine and neuter.

IN WITNESS WHEREOF,the parties hereinto have set and subscribed their respective hands the day **and year first herein above written**

SIGNED, SEALED AND DELIVERED

By the within named "Borrower/s"

Co-Borrower Name 1

*** Signature of Proprietor along with Proprietorship firm stamp*

***Signature of each partner in case of Partnership Firm*

***Signature of the Karta and each adult member of a HUF*

*** Signature of Authorised Signatory of the Company / Society / Trust (in case of non-individual sign with stamps)*

**For Volkswagen Finance Private LTD
Authorized Signatory**

Witness:

STANDARD CONDITIONS OF VOLKSWAGEN FINANCE PVT LTD RETAIL LOAN AGREEMENT

This Standard Conditions set out herein have been read, understood, explained, interpreted to the Borrowers/Co-borrower/s who/ which are agreed and undertake to adhere with the same and shall be applicable to loan facility provided by the Lender under Loan Agreement.

This Standard Conditions shall be deemed to form an integral part of this loan agreement and shall be read in conjunction with the Loan Agreement executed with Lender by the Borrowers/Co-borrower particulars mentioned in the Schedule of the Loan Agreement.

I. DEFINITIONS AND CONSTRUCTION

- 1) In this Agreement, unless there is anything repugnant to the subject or context thereof, the expressions listed below, if applicable, shall have the following meanings:
 - (a) **“Application Form”** means, as the context may permit or require, the Loan Application Form submitted by the Borrower/s to Volkswagen Finance Private Limited (**“LENDER”**) for applying for and availing of the Facility for purchase of New/Used Vehicle, together with all information, particulars, clarifications, letters and undertakings and declarations, if any, furnished by the Borrower/s or any other persons from time to time in connection with the Facility.
 - (b) **“Affiliate”** means, with respect to any Person, any other Person who directly or indirectly controls, is controlled by or is under common control with the Person or group company
For purposes of this definition, “control” (including, with correlative meaning, the terms “controlled by” and “under common control with”) of a Person means (a) ownership of more than 50% of the voting rights or other ownership interests of such Person; or (b) the power to direct the management or policies of a Person, whether through the ownership of more than 50% of the voting power of such Person, through the power to appoint more than half of the members of the board of directors or similar governing body of such Person, or through contractual or other arrangements. If the shareholder / such Person is a natural person then the term Affiliates would include his relatives as defined under the Companies Act, 1956.
 - (c) **“Borrower/s”** means and refers jointly and severally to the applicants/borrowers and co-applicants /co-borrower/s (if any) who has/have been sanctioned/granted the facility by LENDER based on the Application form submitted by such applicants and co-applicants to LENDER for availing of the facility and includes, depending on the nature of the Borrower/s(a) its successors and permitted assigns..
 - (d) **“Borrower/s’ Dues”** means and includes the outstanding principal amount of the Facility, interest on the Facility, all other interest, all fees, costs, charges, expenses, stamp duty and all other sums whatsoever payable by the Borrower/s to LENDER in accordance with this Agreement and the Transaction Documents, as well as all other monies whatsoever stipulated in or payable by the Borrower/s under this Agreement.
 - (e) **“Bundled Product”** means and includes Products such as Advance insurance premium, Maintenance Pack/Annual Maintenance Contract, Extended Warranty, and or any other ad-on product as and when launched by LENDER in co-operation with various business partners to provide single window facility to the Borrower/s for payment/cost of above described ad-on products in monthly instalments alongwith monthly loan instalments. Such component of monthly payment/cost shall be remitted to the concerned business partners/service providers as per the terms and conditions set out in Annexure II ,III, and IV hereto respectively and or any additional annexures shall be added as per the new product as and when launched.
 - (f) **“Business Day”** means a day on which the office of LENDER is open for normal business transactions.
 - (g) **“Due Date”** means the date(s) on which any amounts in respect of the Borrower/s’ Dues including the principal amounts of the Facility, interest and/or any other monies, fall due as specified in this Agreement and/or this Agreement and the other Transaction Documents.
 - (h) **“Dealer”** shall mean Authorised Dealer of the Product manufacturing / assembling Company.
 - (i) **“EMI”** means equated monthly instalments of amounts payable by Borrower/s to LENDER in respect of the Facility and which comprises of principal amount of the Facility and interest thereon.
 - (j) **“Facility”** means such amount of the loan/financial assistance, which is applied for/availed of by the Borrower/s, as specified by the Borrower/s in this Agreement.
 - (k) **“Indebtedness”** means any indebtedness whatsoever of the Borrower/s at any time for or in respect of monies borrowed, contracted or raised (whether or not for cash consideration) or liabilities contracted by whatever means (including under guarantees, indemnities, acceptance, credits, hire-purchase and leasing) by Borrower(s) or by a person or entity related to or connected with the Borrower(s).
 - (l) **“Material Adverse Effect”** means the effect or consequence of any event or circumstance which is or likely to be: a) adverse to the ability of the Borrower/s or any person to perform or comply with any of their obligations under this Agreement in accordance with their respective terms; or (b) prejudicial to any of the businesses, operations of financial condition of the Borrower/s or of any person who is party to any Transaction Document.
 - (m) **“Month”** means a month of a year as per the calendar year and each month shall begin on the first day of such month. LENDER may at its sole discretion vary the date on which the Month commences
 - (n) **“Person(s)”** includes an individual, corporation, partnership, joint venture, association of persons, trust, unincorporated organization, government (central, state or otherwise), sovereign state, or any agency, department, authority or political subdivision thereof, international organization, agency or authority (in each case, whether or not having separate legal personality) and shall include their respective successors and assigns and in case of an individual shall include his legal representatives, administrators, executors and heirs and in case of a trust shall include the trustee or the trustees for the time being.
 - (o) **“Product(s)”** shall mean and include Vehicle(s), and/or any other Product(s), that may be purchased by the borrower(s) using the Loan or any part thereof, as specified and described in this Agreement/other Transaction documents, whether moveable or immovable, offered or caused to be offered as security/secured in favour of LENDER by the Borrower/s for due repayment of the Facility granted/to be granted by LENDER. Product shall be construed accordingly; it is clarified that a Vehicle or other asset shall be “Product” notwithstanding the Borrower(s), in addition to using the Loan or a part thereof to purchase the Vehicle or asset, also used other funds to purchase the Vehicle or other asset

- (p) "Quarter" means three consecutive months in a year and each month shall begin on the first day of such month on which such quarter begins LENDER may as its sole discretion vary the date on which the Quarter begins
- (q) "RBI" means Reserve Bank of India.
- (r) "Transaction Documents" include all writings and other documents executed or entered into, or to be executed or entered into, by the Borrower/s or, as the case may be, any other person, in relation, or pertaining, to the Facility and each such Transaction Document as amended from time to time.
- (s) "Seller" shall mean the person(s) from whom the Borrower shall acquire the Product(s) by utilising the Loan granted by the LENDER to Borrower. The details of the seller are set out in annexure-I hereto.
- (t) "Vehicle(s)" means the vehicle(s) described in the Annexure-I and shall include any equipment in respect of the Vehicle(s), and all accessories, additions and replacements to the Vehicle(s) and/or the equipment, whenever made, including by way of body described in the Annexure-I and shall include any body building and engine up-gradations etc.

2) In this Agreement, unless the contrary intention appears,

A. a reference to:

- i. an "amendment" includes a supplement, modification, novation, replacement or re-enactment and "amended" is to be construed accordingly;
 - ii. "assets" include all properties/Vehicles whatsoever both present and future, whether tangible, intangible or otherwise) (including intellectual property and intellectual property rights), investments, cash-flows, revenues, rights, benefits, interests and title of every description; as specified and described in this Agreement/other Transaction documents, whether moveable or immovable, offered or caused to be offered as security/secured in favour of LENDER by the Borrower/s for due repayment of the Facility granted/to be granted by LENDER.
 - iii. an "authorization" includes an authorization, consent, clearance, approval, permission, resolution, licence, exemption, filing and registration;
 - iv. "encumbrance" includes a mortgage, charge, lien, pledge, hypothecation, security interest or any lien of any description whatsoever.
 - v. "law" includes any constitution, statute, law, rule, regulation, ordinance, judgment, order, decree, authorization, or any published directive, guideline, requirement or governmental restriction having the force of law, or any determination by, or interpretation of any of the foregoing by, any judicial authority, whether in effect as of the date of signing / submission of this Agreement or thereafter and each as amended from time to time.
- B. a reference to the singular includes the plural (and vice versa);
- C. the headings in this Agreement are inserted for convenience of reference only and are to be ignored in construing and interpreting this Agreement;
- D. reference to the words "include" or "including" shall be construed without limitation;
- E. reference to a gender shall include references to the female and male gender;
- F. all approvals, permissions, consents or acceptance required from LENDER for any matter shall require the "prior", "written" approval, permission, consent or acceptance of LENDER;
- G. in the event of any disagreement or dispute between LENDER and the Borrower/s regarding the materiality of any matter including of any event, occurrence, circumstance, change, fact, information, document, authorization, proceeding, act, omission, claims, breach, default or otherwise, the opinion of LENDER as to the materiality of any of the foregoing shall be final and binding on the Borrower/s.

II. PAYMENT, PREPAYMENT AND OTHER CHARGES

- (a) The Borrower/s shall repay the Facility to LENDER in such number of instalments, and with such instalment/s being of such amounts and on the Due Date(s) as is specified in Annexure I hereto (time being of the essence of the contract); such instalments are hereinafter referred to, individually, as an "Instalment/EMI" and, collectively, as the "Instalments/EMIS". LENDER shall be entitled to vary / modify the Instalment/s (including increases in the amount of one or more Instalment/s) in the event of changes to the interest rate on the Facility. The expression "Instalments" shall comprise of both the principal amount of the Facility and interest thereon.
- (b) The Borrower/s shall repay / pay the Instalments and other monies in respect of the Facility through any one of the following modes-post-dated cheques ("PDC method") / the Electronic Clearing System (Debit Clearing) as notified by the RBI ("ECS method") / by directly paying amounts by cash or cheque / draft (issued in the name of "Volkswagen Finance Private Limited") when due to LENDER ("Direct Payment method") / by any other method, and as has been selected by the Borrower/s in Annexure I hereto, or as may be required by LENDER. The method for payment as selected by the Borrower/s or the mandates given by the Borrower/s under any payment mode cannot be cancelled or revoked by the Borrower/s without prior consent of LENDER. If the Borrower/s cancels or revokes (or attempts to cancel or revoke) such mandates without the prior consent of LENDER, such acts of the Borrower/s shall be deemed to have been committed with a criminal intent and LENDER shall be entitled to initiate appropriate criminal as well as civil proceedings against the Borrower/s.
- (c) The number of advance Instalments, as mentioned in Annexure I hereto, paid by the Borrower/s to LENDER (or its nominees) prior to disbursement of the Facility (or at any other time, as may be specified by LENDER) shall be adjusted against the payment of the last Instalments (of an equal number) or in any other manner as decided by LENDER. The Borrower/s shall not be eligible to any interest on the amount of such advance Instalments.
- (d) Notwithstanding anything contained in this Agreement and / or the Transaction Documents, and irrespective of the mode of payment selected by the Borrower/s, upon any default by the Borrower/s in payment of one or more Instalments on the Due Date pertaining to the Facility or any non-realisation of the Instalments on the Due Date by LENDER, LENDER shall be entitled, without prejudice to its other rights under this Agreement, to present and/or re-present the post-dated cheques, if any, issued by the Borrower/s in favour of LENDER in connection with the Facility. Irrespective of the mode of payment / repayment selected by the Borrower/s in Annexure I hereto, LENDER shall, as it may deem appropriate and necessary, be entitled to require the payment and/or collection of the Instalments and all other amounts comprising the Borrower/s' Dues as expressed in Annexure I hereto, or the post-dated cheques, if any, submitted by the Borrower/s, by means of the RBI's electronic clearing system (debit), by itself or through such other person permitted for the same, instead of and in lieu of presenting / re-presenting such post-dated cheques, if any, issued by the Borrower/s in favour of LENDER or utilizing any other mode or manner of payment or repayment of the Instalments and all other amounts comprising the Borrower/s' Dues, provided that such right of LENDER shall be without prejudice to its other rights under this Agreement (including the right to re-present the post-dated cheques), in case of any failure to receive the Instalments or any other amounts due, through the electronic clearing system (debit) for any reason whatsoever.
- (e) The borrower hereby unconditionally and irrevocably authorises LENDER, acting through its officers, authorised agents to fill necessary details in the cheque delivered to the LENDER for an aggregate amount not exceeding the maximum amount due by the Borrower to the LENDER

under the terms and conditions of this agreement without notice to the borrower in his behalf. The borrower hereby confirm and agree that LENDER is entitled in its sole discretion to use one or more such cheques for the regularisation of repayment of the loan. For this purpose in the event the cheques issued by the Borrower pursuant to this agreement stand exhausted the borrower undertakes to issue fresh cheques to the LENDER.

- (f) The Borrower/s shall at all times maintain sufficient funds in his / her / their bank account/s to ensure that the cheques or post-dated cheques, if any, issued by the Borrower/s are not dishonoured and the Instalments are received / realized by LENDER on or before the applicable Due Date(s).
- (g) Notwithstanding the mode of repayment / payment selected by the Borrower/s, the Borrower/s shall continue to remain at all times liable and responsible for ensuring the payment / repayment of all Instalments and all other monies in respect of the Facility to LENDER on or before the relevant Due Date(s) without any further notice / intimation being given by LENDER and all such amounts payable by the Borrower/s to LENDER shall be paid, at such place/s as LENDER may specify, without any deductions whatsoever so as to enable LENDER to fully realize the amounts due on or before the respective Due Date(s). Credit for payments by any method will be given only on realization or on the relative Due Date(s), whichever is later. The acceptance by LENDER of any payment which is less than the full Instalment or other amounts due and owing at such time shall not constitute a waiver of LENDER's right to receive payment in full at such time or at any subsequent time or a waiver of any other rights whatsoever of LENDER under this Agreement.
- (h) The Borrower/s shall not be entitled to cancel or issue stop-payment instructions with respect to the post-dated cheques / ECS mandates for so long as the Facility (or any part of the Borrower/s' Dues) is outstanding and any such acts of the Borrower/s shall be deemed to have been committed with an intention to cheat LENDER and avoid prosecution under the Negotiable Instruments Act, 1881 and LENDER shall be entitled to initiate appropriate criminal and civil proceedings against the Borrower/s.
- (i) The Borrower/s shall obtain prior written consent from the LENDER for changes in authorised signatory who has signed repayment cheques, agreement which have submitted with LENDER at the time of disbursal of this loan. In such event Borrower shall promptly replace the post-dated cheques and/ or the mandates, agreements and/or other documents executed for payment of the Instalments and issue fresh post-dated cheques, mandates, agreements and/or other documents in lieu thereof to the satisfaction of LENDER, if LENDER is facing any difficulty / inconvenience /impediment for any reason whatsoever in presenting such cheques / issuing debit instructions or if so required at any time by LENDER at its sole discretion.
- (j) The Borrower/s may, subject to prior approval by LENDER, be permitted to swap / exchange the post-dated cheques issued to LENDER with alternate post-dated cheques drawn on another bank (as approved by LENDER) subject to payment to LENDER of the "cheque swap" charges as specified in Annexure I hereto.
- (k) The payment of the Instalments shall commence and continue as per the schedule specified in Annexure I hereto irrespective of any non-delivery / delayed-delivery of the Product(s), and whether or not the Product(s) are defective or not working or under repair, and any dispute / difference whatsoever between any parties in relation to the Product(s) shall not entitle the Borrower/s to withhold or delay payment of any Instalment or other sum.
- (l) The Borrower agrees that the LENDER shall not be responsible for delay of delivery or non-delivery or for lost, stolen seized accident of the Product at or before time of delivery or for any defect damage or quality of the Product(s).
- (m) Borrower can make part or full prepayment of the loan, subject to such terms and conditions as may be stipulated by LENDER including payment of minimum prepayment amount, prepayment premium or discounted interest and/or any other charges, plus applicable interest tax or other statutory levy to repay the outstanding principal amount of the Facility together with all outstanding interest and other charges and monies payable thereon in full or in part, before the Due Dates. In the event any part prepayment of the Facility is permitted / approved by LENDER, the repayment schedule / amount of Instalment(s) as specified in Annexure I hereto shall be amended by LENDER and the Borrower/s shall thereafter make payment of the Instalments as per such amended schedule. Any such prepayment shall take effect only after cash has been received or cheques/Demand Drafts/ Pay orders/ RTGS / NEFT Fund transfer, realisation by the LENDER and repayment Schedule will be amended only after next month EMI due date. Any such full/Part prepayment of the Loan would not be permitted unless the Borrower makes payment of the Prepayment Charges mentioned in Annexure I.
- (o) If the Borrower/s default/s in making payment of any Instalment/s or any other amounts comprising the Borrower/s' Dues to LENDER on the respective Due Date(s), the Borrower/s shall be liable to pay further interest at the rate specified in Annexure I hereto (plus applicable interest tax or other statutory levy) on all such outstanding / unpaid amounts from the relevant Due Date till the date of payment of such entire amount. Such further interest shall be in addition to any other charges, which the Borrower/s is liable to pay to LENDER in terms of this Agreement.
- (p) Interest, commitment fee / charges, further interest and all other charges shall accrue on a day to day basis and shall be computed as may be decided by LENDER at its sole discretion, which may be on the basis of 1/12 applied monthly or 360 days a year and the actual number of days elapsed.
- (q) Monthly Instalment amount is rounded off to the next higher Rupee.
- (r) If the Due Date in respect of any amounts payable in respect of the Facility under this Agreement fall on a day which is not a Business Day at the place where the payment is to be made, the immediately preceding Business Day shall be the Due Date for such payment.
- (s) The Borrower/s shall bear all interest tax, GST, all other import duties (including stamp duty and relevant registration and filing charges and taxes (of any description whatsoever) as may be levied from time to time by the Government or other authority and all other costs and expenses whatsoever (including but not limited to any costs and expenses incurred by LENDER) in connection with / on (a) the application for, and the grant and repayment of, the Facility, (b) this Agreement and/ or any Transaction Document, (c) recovery and realization of the Borrower/s' Dues, (d) the creation, enforcement and realisation of the security (including taking possession of, maintaining, storing and selling / transfer / encashment of the Product(s), (e) repairing of the Product(s) and clearance of arrears of all taxes and any other charges and levies payable to the Government in respect of the Product(s), (f) inspection, (g) insuring the Product(s), and (h) LENDER's advocate's fees and expenses for any of the above. The Borrower/s shall also pay / reimburse LENDER for all and any losses, damages, costs, charges, claims, expenses and liability of any kind or nature whatsoever (including but not limited to any stamp duty, other duties, taxes, charges and penalties and/or any increases in costs to LENDER by reason of any change in law, or in its interpretation or administration, under / in relation to this Agreement and the security, if any, to be created by the Borrower/s suffered, sustained or incurred by LENDER in connection with any of the above matters if and when the same is required to be paid according to the laws for the time being in force.
- (t) In the event of the Borrower/s failing to pay the monies referred to above, LENDER shall be at liberty (but shall not be obliged) to pay the same. The Borrower/s shall reimburse all sums paid by LENDER in accordance with the provisions contained herein. The Borrower/s shall reimburse all sums paid and/or expenses incurred by LENDER (including by or on behalf of their representatives / consultants / appraiser) in relation to the Facility within 7 days from the date of notice of demand from LENDER. All such sums shall carry interest from the date of payment till such reimbursement at the rate of further interest specified in Annexure I hereto.

- (u) Notwithstanding any of the provisions of the Indian Contract Act, 1872 or any other applicable law, or any terms and conditions to the contrary contained in this Agreement and/or the other Transaction Documents, LENDER may, at its absolute discretion, appropriate any payments made by the Borrower/s in accordance with this Agreement and/or the Transaction Documents and any amounts realized by LENDER by enforcement of security or otherwise, towards the dues payable by the Borrower/s to LENDER under this Agreement and/or any other agreements whatsoever between the Borrower/s and LENDER and in any manner whatsoever. Notwithstanding any such appropriation by LENDER towards settlement of any dues payable by the Borrower/s to LENDER under any other agreements between the Borrower/s and LENDER, the Borrower/s shall continue to remain liable to LENDER for all outstanding / remaining amounts comprising the Borrower/s' Dues.
- (v) The Borrower or the Co-Borrower/s can make any payments to affiliate(s)/ representative(s) of LENDER only with prior written permission of LENDER; failing which, LENDER shall not be responsible for any payments made by the Borrower/s or the Co-Borrower/s to affiliate(s) /representative(s) of LENDER being misappropriated. All payments by the Borrower/s or the Co-Borrower/s to LENDER shall be made directly to LENDER and/or agencies appointed by LENDER.
- (w) The Borrower/s can avail various services/facilities/permissions which are prescribed in Annexure-I from LENDER, by paying charges mentioned against respective services/facilities/permissions in said Annexure-I of this agreement.

III. THE PRODUCT(S)

- (a) The Borrower/s shall be solely and exclusively responsible for the quality, condition, fitness and performance of the Product(s) and for getting / ensuring delivery of the Product(s) from the manufacturer / dealer / seller, as the case may be, and LENDER shall not be liable or responsible for any delay in delivery (or non-delivery) of the Product(s) or any demurrage cost or for any defect or variation in the quality, condition or fitness or performance of the Product(s) or any guarantees or warranties given by the manufacturer / dealer / seller in respect thereof. LENDER shall not be liable for, or bound by, any representations or warranties, whatsoever made by manufacturer / dealer/ seller in respect of the Product(s) or any agent of such manufacturer / dealer / seller. The Borrower/s shall not engage any person other than authorized mechanics/ service centre(s) of the Manufacturer or Dealers/suppliers to carry out the repairs, if any to said Product(s).
- (b) Where the Product(s) is/are motor vehicles (as defined under the Motor Vehicles Act) or any other machinery, equipment or item requiring registration under any law for the time being in force, the Borrower/s shall, within 3 days from the date of this Agreement or delivery of the Product(s) (whichever is later) have such Product(s) registered with the appropriate Registering Authority, and submit a certified copy of the Registration Certificate to LENDER as and when made available by Registering Authority and in any case within 60 days of such registration. In event such Product(s) is offered as security to LENDER, the registration of the Product(s) with the relevant Authority should be made clearly indicating the fact that such Product(s) is/are exclusively charged/ hypothecated in favour of LENDER. Wherever required / applicable (such as in the case of commercial vehicles / vehicles-for-hire), the Borrower/s shall also obtain all necessary permissions /licences from the concerned authorities for plying / using the Product(s) across / in the State or area in which such Product(s) is/are registered. The Borrower in whose name the product is going to be registered acknowledges with the express consent of the Co-Borrower/s that the Borrower shall, at the time of delivery of the Product to the Borrower, by an oral agreement, hypothecated the product in favour of the LENDER in order to secure the LENDER dues and charges on the terms and conditions contained in this

agreement and upon such oral agreement the product shall stand hypothecated in favour of the LENDER. The borrower undertakes to get the registration certificate of the product endorsed in the name of Volkswagen Finance Private Limited as "the products(s) described above is held and hypothecated under the Loan Agreement with Volkswagen Finance Private Limited, Silver Utopia, 3rd Floor, A wing, Cardinal Gracious Road, Chakala, Andheri east, Mumbai 400 099", within a period of 3 days from the date of delivery of the product, to confirm and record the fact that the borrower has hypothecated product in favour of LENDER, which will be treated as conclusive evidence of the Hypothecation of the product in favour of LENDER, Provided that default by a borrower, to get the registration certificate for Product, endorsed with the name of LENDER shall not be deemed to be or construed as an absence of borrowers oral hypothecation of the products in LENDER favour. The said proposed hypothecation shall be by way of first and exclusive charge of LENDER for their due and charges under this agreement. Without prejudice to the above, the borrower has also, pursuant to POWER OF ATTORNEY, Authorise LENDER to hypothecate the product in favour of LENDER at the time of delivery of the product to the borrower or at any time thereafter.

- (c) Where the Facility has been availed of for foreclosing an existing loan against any Product(s) and where the Product(s) needs to be registered with any Authority under any law for the time being in force, then the Borrower/s shall within 7 days from disbursement of the Facility get the previous charge removed from the Product(s) certificate and/or the records of the appropriate registering authority and have the Product(s) re-registered with such Registering Authority. In the event such Product(s) is offered as security to LENDER, the registration of the Product(s) with the relevant Authority should be made clearly indicating the fact that such Product(s) is/are exclusively charged in favour of LENDER. The Borrower/s shall forthwith deliver a certified copy of the Registration certificate (with necessary endorsement as stated in clause 2 above, or as the case may be) to LENDER.
- (d) Where full details of the Product(s) (such as engine number / chassis number / serial number, registration number, etc. as required to be specified in Annexure I hereto) is/are not available at the time of executing this Agreement, the Borrower/s shall furnish all such details of the Product(s) to LENDER, in such format as specified by LENDER, within 3 (three) days of delivery of the Product(s) or receipt of such details (such as the registration number of vehicles) from the appropriate authority.
- (e) If required and directed by LENDER the Borrower/s shall, affix a plate / sticker on the Product(s), indicating the fact of charge of the Product(s) in favour of LENDER, which such plate / sticker shall be constantly affixed on the Product(s) for so long as any portion of the Borrower/s' Dues remains outstanding from the Borrower/s to LENDER.
- (f) The Product(s) shall, so long as the Facility or any part thereof is outstanding to LENDER, be subject to the charge / security created / to be created in favour of LENDER; the Borrower/s shall duly use, operate and keep the Product(s) in sound working and repair condition under the Borrower/s own possession and control and the Borrower/s shall not enter into any agreement / arrangement whatsoever with any person, body or authority for the use, transfer or disposal of the Product(s). Wherever required by LENDER, the Borrower/s shall arrange for / enter into annual maintenance contracts with the manufacturers / suppliers of the Products to the satisfaction of LENDER and shall keep such maintenance contracts renewed and subsisting for as long as any amounts remain due and payable to LENDER.
- (g) The Borrower/s will not part with the possession, give on hire, lease, leave and license or conduct any arrangement or otherwise deal with the Product(s) or any part thereof without prior consent of LENDER.
- (h) The Borrower/s shall keep the Product(s) free from any and all liens, charges and encumbrances whatsoever, save and except for the first and exclusive charge created / to be

created in favour of LENDER, and the Borrower/s shall not hypothecate, mortgage, pledge, charge, encumber, sell, assign, transfer, hire, lease, let out or otherwise part with possession of the Product(s) in any manner whatsoever.

- (i) Any such direct or indirect agreement / arrangement, lien, charge, encumbrance, hire, lease, transfer or parting with possession of the Product(s), as referred to in Clauses 7 and 8 above, shall be deemed to be an act of criminal breach of trust and cheating by the Borrower/s and LENDER shall be entitled in such circumstances, without any prejudice to the other rights of LENDER under law and/or this Agreement, to initiate appropriate criminal proceedings against the Borrower/s.
- (j) The Borrower/s shall take prior written consent from LENDER if the Product(s) is/are proposed to be removed / taken outside the territorial borders of the State in which the Product(s) is/ are registered or removed or taken out of the address / location as specified in this Agreement at/in which such Product(s) was/ were to be kept, fixed or stored as specified on a permanent basis or for a continuous period of more than 60 days.
- (k) The Borrower/s shall permit LENDER (and any of its representatives/agents), at all times, to inspect, view and examine the state and conditions of the Product(s) and/or the documents relating thereto, and for that purpose permit the LENDER and its representative/agents to enter any premises where the Product(s) is/are parked/located. The Borrower/s shall also, if required by LENDER, produce the Product(s)/ and/or the documents relating thereto for inspection to LENDER (and/or its representatives) at such place designated by LENDER (and/or its representatives) at the Borrower/s sole cost and expense. Wherever required or necessary in the opinion of LENDER, the Borrower/s shall obtain all required permissions and consents of the owner of the place/ premises as are required by LENDER (or any of its representatives) for entering into the Place /Premises where the Product(s) is/are stored / fixed / kept or for inspecting the Product(s).
- (l) The Borrower/s shall comply with all laws, rules and regulations (statutory or otherwise) relating to the Product(s) and its use and shall obtain, and keep effective at all times, all necessary insurance, licenses, registrations, permissions, approvals and consents for the storage, use and operation of the Product(s). In cases where the Product(s) is/are to be imported, the Borrower/s shall obtain all necessary import licenses and all necessary information regarding the final quote, eligibility, scope and validity of import of the Product(s) under the Open General License and shall from time to time promptly notify LENDER of all changes in import policy, eligibility criteria and scope of imports affecting the import of the Product(s).
- (m) The Borrower/s shall pay LENDER on demand all expenses, costs or charges incurred in ascertaining the whereabouts of the Borrower or the said Product(s) or in recovering or endeavouring to recover the possession thereof from any one in whose possession the Product shall for the time being be.
- (n) Borrower/s shall not use the Product(s) as a means of transport in the smuggling of any goods or in the carriage of any smuggled or prohibited goods and shall not have the Product(s) adapted, altered or fitted for the purpose of concealing such goods or for any other unlawful and/or illegal purpose.

IV. INSURANCE

- (a) The Borrower/s shall, for so long as any portion of the Borrower/s Dues is outstanding / payable to LENDER, fully insure, and keep the Product(s) so insured, at his/her/its/their own costs in the joint names of the Borrower/s and LENDER, with the name of LENDER recorded as 'the Loss Payee' in such insurance policy/ies. Such insurance required to be taken by the Borrower/s for the Product(s) shall be standard comprehensive package policies covering (a) all comprehensive risks, including but not limited to riots, civil commotion, floods and such additional risks / liability to which the Product(s) is/are normally exposed, and (b) unlimited third party liability risks. The Borrower/s shall forthwith upon taking / renewing any such insurance policies furnish true copies of

such insurance policy/ies to LENDER to confirm having complied with this obligation.

- (b) The Borrower shall pay all rents, taxes and outgoings in receipt of any immovable property in or on which the Product(s) may for the time being be lying and/or stored and shall keep such property insured against loss or damage by fire and against such other risks as may be required by VWFPL and shall produce the policies of insurance to VWFPL whenever required by VWFPL. On default, VWFPL shall be entitled (though not bound to do so) to make such payments. Any payments made by VWFPL shall forthwith on receipt of a notice of demand from VWFPL be reimbursed by the Borrower to VWFPL together with interest thereon at the rate for further interest, as specified under the Loan Terms, from the date of payment till reimbursement thereof and until such reimbursement by the Borrower, the same shall be a charge on the Assets
- (c) In the event of any failure by the Borrower/s to obtain such insurance policies and/or to furnish proof of the same to LENDER, LENDER may (but shall not be bound to) insure the Product(s) at the Borrower/s' cost. If LENDER pays the insurance premium, or any other cost, monies, for / towards the insurance of the Product(s), the Borrower/s shall reimburse all such sums paid by LENDER.
- (d) In the event of any loss or damage to the Product(s) due to any accident, the first claim on any insurance proceeds shall be that of LENDER, which proceeds shall be applied by LENDER towards the Borrower/s Due in terms hereof or such other manner as deemed fit by LENDER. Further, and in the event of any total loss / damage to the Products(s), if the claim amount settled by the insurance company is less than the total Borrower/s' Dues outstanding and payable by the Borrower/s, the Borrower/s shall immediately pay all the balance outstanding amounts of the Borrower/s' Dues to LENDER. The Borrower/s hereby irrevocably authorized LENDER and entitled at its sole discretion to act on the Borrower/s' behalf, at the Borrower/s sole risk and cost, and to take all necessary steps, actions and proceedings as LENDER deems fit to safeguard its interests: (i) to adjust, settle, compromise or refer to arbitration any dispute arising under or in connection with any insurance and such adjustment, settlement, compromise and any award made on such arbitration shall be valid and binding on the Borrower/s, and (ii) to receive all monies payable under any such insurance or under any claim made thereunder and to give a valid receipt therefore, and apply such proceeds in accordance with the terms hereof for such other manner as deemed fit by LENDER.
- (e) The Borrower/s shall not be entitled to raise any claim against LENDER in case LENDER chooses not to take any action in relation to the insurance claims or proceedings and/or on the grounds that a larger sum or amount of claims / settlement might or ought to have been received or be entitled to dispute the liability of the Borrower/s for the balance amount of Borrower/s' Dues remaining due after such adjustment.
- (f) The Borrower/s shall use the Product himself / themselves and / or through his / their servants / agents, strictly in accordance with the terms and conditions of the insurance policy and shall not do nor permit to be done, any act or thing which may render such insurance invalid and shall use the Product(s) legitimately and not engage in any unlawful or illegal activity by which the ownership or custody of the Product(s) is in any way jeopardized.

V. REPRESENTATIONS AND WARRANTIES

- (a) The entering into, delivery and performance by the Borrower/s of the transactions, contemplated by this Agreement and the other Transaction Documents do not and shall not conflict with (a) any law; (b) the constitutional documents, if any, of the Borrower/s; or (c) any document which is binding upon the Borrower/s or on any of its/his/her/their assets.
- (b) The Borrower/s' Dues shall not be affected, impaired or discharged by winding up / insolvency / death / dissolution / merger or amalgamation / reconstruction or otherwise of the Borrower/s or takeover of the management or

nationalization of the undertaking of the Borrower/s, as the case may be.

- (c) Except as disclosed to LENDER in writing or unless otherwise permitted by LENDER, there are no encumbrances subsisting or in existence on any of the Product(s).
- (d) Neither the Borrower and or Co-Borrower/s nor any director / partner / member, as the case may be, of the Borrower/s and or Co-Borrower/s has/have been declared to be a defaulter / willful defaulter. The Borrower/s and or Co-Borrower/s shall not induct a person who is a director / partner / member of an entity identified as defaulter / willful defaulter. In the event such a person is found to be a director / partner / member of an entity identified as defaulter / willful defaulter, the Borrower/s and or Co-Borrower/s shall take expeditious and effective steps for removal of such person.
- (e) The Borrower unconditionally agrees, undertakes and acknowledges that LENDER has an unconditional right to cancel the outstanding un-drawn commitments under the Transaction Documents at any time during the currency of the Facility and that LENDER shall endeavour to provide prior intimation of the same to the Borrower.

VI. SET-OFF

- (a) LENDER and its affiliates / group companies shall have the paramount right of set-off and lien, irrespective of any other lien or charge, present as well as future on the deposits of any kind and nature (including fixed deposit) held / balances lying in any accounts of the Borrower/s, whether in single name or joint name(s) and on any monies, securities, bonds and all other assets, documents and properties held by / under the control of LENDER and/or its group companies (whether by way of security or otherwise pursuant to any contract entered / to be entered into by the Borrower/s in any capacity) to the extent of all outstanding dues, whatsoever, arising as a result of any of LENDER's or its group companies' services extended to and/or used by the Borrower/s and/or as a result of any other facilities that may be granted by LENDER and/or its group companies to the Borrower/s. LENDER and/or its group companies are entitled without any notice to the Borrower/s to settle any indebtedness whatsoever owed by the Borrower/s to LENDER and/or its group companies, (whether actual or contingent, or whether primary or collateral or whether joint and/or several) hereunder or under any other document / agreement, by adjusting, setting-off any deposit(s) and/or transferring monies lying to the balance of any account/s held by the Borrower/s with LENDER and/or its group companies notwithstanding that the deposit(s) / balances lying in such account(s) may not be expressed in the same currency as such indebtedness. LENDER's and its group companies rights hereunder shall not be affected by the Borrower/s' bankruptcy, death or winding-up. It shall be the Borrower/s' sole responsibility and liability to settle all disputes / objections with any such joint account holders.
- (b) In addition to the above mentioned right or any other right which LENDER and its group companies may at any time be entitled whether by operation of law, contract or otherwise, the Borrower authorizes LENDER: (a) to combine or consolidate at any time all or any of the accounts and liabilities of the Borrower with or to any branch of LENDER and/or its group companies; (b) to sell any of the Borrower/s' securities or properties held by LENDER by way of public or private sale without having to institute any judicial proceeding whatsoever and retain / appropriate from the proceeds derived there from the total amounts outstanding to LENDER and/or its group companies from the Borrower/s, including costs and expenses in connection with such sale; and (c) in case of cross currency set-off, to convert an obligation in one currency to another currency at a rate determined at the sole discretion of LENDER and/or its group companies.

VII. SECURITISATION

- (a) The Borrower/s expressly recognises and accepts that LENDER shall be absolutely entitled and have full power and authorized to sell, assign or transfer in any manner, in whole or in part, or in such manner and on such terms as LENDER may decide, including reserve a right to proceed

against the Borrower/s on behalf of the Purchaser, Assignee or Transferee, any or all outstanding dues of the Borrower/s so any third party of LENDER's choice without reference to or without written intimation by LENDER or to LENDER.

- (b) Any such action and such sale, assignment or transfer shall bind the Borrower/s to accept such third party as creditor exclusively or as a joint creditor with LENDER, or as creditor exclusively with the right to LENDER to continue to endorse all powers hereunder on behalf of such third party and to pay over such outstanding dues to such third party and/or to LENDER as LENDER may direct.
- (c) Any cost in this behalf, whether on account of such sale, assignment or transfer or enforcement of rights and recovery of outstanding dues shall be to the account of the Borrower/s.
- (d) The Borrower/s acknowledges and undertakes to pay to third parties the difference between the amount outstanding and the amount received by LENDER in the event of transfer of the his/her/its Facility/Loan account portfolio to a third party.
- (e) In event of such transfer/assignment of loan account the third party shall have authority of the Borrower to collect the due amount.

VIII. CROSS LIABILITY

- (a) The Borrower/s and/ or the Co-Borrower/s agree and confirm that LENDER may at its absolute discretion appropriate any payments made by the Borrower/s and/ or the Co-Borrower/s under or pursuant to this Agreement towards any other Agreement or transaction entered into by the Borrower/s and/or the Co-Borrower/s and/or and towards any other Indebtedness and such appropriation shall be final and binding upon the Borrower/s and/or the Co-Borrower/s who shall continue so remain liable to the LENDER for payment of dues under this Agreement in respect of which such sums of money were so paid but were appropriated towards another Agreement or transaction entered into by the Borrower/s and/or the Co-Borrower/s or towards another Indebtedness.
- (b) In addition, notwithstanding the repayment of the Loan Balance, the Borrower/s and/or the Co-Borrower/s hereby expressly and irrevocably authorize LENDER to take possession of / sell / transfer or otherwise dispose of any and all security created in favour of the LENDER under this Agreement or any other agreement entered into and between the Borrower/s and/or the Co-Borrower/s and any of the associate/affiliate or group company of LENDER or any other security documents or deposited with LENDER or under the possession or control of LENDER and appropriate the same towards satisfaction of amounts due to LENDER on account of another Agreement or transaction entered into by the Borrower/s and/or the Co-Borrower/s or on account of the indebtedness of the Borrower/s and/or the Co-Borrower/s. The provisions of this Agreement and any security document executed pursuant to this Agreement shall apply mutatis mutandis to the manner of disposal of security and appropriation under this Article.

IX. DISCLOSURE OF INFORMATION

- a) LENDER shall, as it may deem appropriate and necessary, be entitled to disclose all or any: (i) information and data relating to the Borrower/s and or Co-Borrower/s; (ii) information or data relating to the Facility, Loan Terms, Transaction Documents and/or any other securities furnished by the Borrower/s in favour of LENDER; (iii) obligations assumed / to be assumed by the Borrower/s in relation to the Facility under this Agreement, the Transaction Documents or any other securities furnished by the Borrower/s for any other credit facility granted / to be granted by LENDER; (iv) default, if any, committed by the Borrower/s in discharge of the aforesaid obligations, to the Credit Information Bureau (India) Limited (CIBIL) and any other agency authorized in this behalf by the RBI. CIBIL and/or any other agency so authorized may use and/or process the aforesaid information and data disclosed by LENDER in any manner as deemed fit by them. CIBIL and/or any other agency so authorized may furnish for

consideration, the processed information and data or products thereof prepared by them, to LENDER / financial institutions and other credit grantors or registered users, as may be specified by RBI in this behalf. All information and data furnished by the Borrower/s to LENDER from time to time shall be true and correct.

- b) In case the Borrower/s commits any default in payment or repayment of principal amount of the Facility or interest / charges due thereon; LENDER and/or the Reserve Bank of India ("RBI") will have an unqualified right to disclose or publish the details of such default along with the name of the Borrower/s and/or its directors / partners / co-applicants, as applicable, as defaulters in such manner and through such media as LENDER and/or RBI may, in their absolute discretion, think fit. The Borrower/s and / or the Co-Borrower/s shall not hold LENDER responsible for sharing and/or disclosing the information now or in the future and also for any consequences suffered by the Borrower/s and / or the Co-Borrower/s and/or others by reason thereof. The provisions of this clause shall survive ever after the termination of this Agreement and the repayment of the Borrower's dues.

X. ARBITRATION

All disputes, differences and / or claims arising out of these presents or in any way touching or concerning the same or as to constructions, meaning or effect hereof or as to the right and liabilities of the parties hereunder shall be settled by arbitration to be held in accordance with the provisions of the Arbitration and Conciliation Act, 1996 or any statutory amendments or re-enactments thereof and shall be referred to a sole arbitrator to be nominated by LENDER. In the event of death, refusal, neglect, inability or incapability of a person so appointed to act as an arbitrator, LENDER shall appoint another person in his place as the arbitrator. The arbitration proceedings shall be held in Mumbai or at such other place as may be selected / directed by LENDER. The award of the arbitrator shall be final and binding on all parties concerned and will be executed at places/locations, where the said product(s) kept/stored/parked at the time of execution proceedings.

XI. JURISDICTION

All legal action/s and/or proceedings arising out of / in connection with this Agreement, the Transaction Documents and the products, shall be brought in / before the courts or tribunals at the concerned jurisdiction or such other place as may be selected by LENDER and the Borrower/s irrevocably submit/s himself / herself / itself / themselves in the jurisdiction of such courts and tribunals. LENDER may, however, in its absolute discretion to initiate/commence any legal action or proceedings arising out of (or in connection) with any of the above in any other court, tribunal or other appropriate forum, and the Borrower/s shall not object to such jurisdiction.

XII. NOTICES

All notices or other communications under or in connection with the Borrower/s' Dues and/or this Agreement shall be given in writing and, unless otherwise stated may be made by letter or facsimile. Any such notice or other communication will be deemed to be effective: (i) if sent by letter, when delivered personally or if dispatched by post, when recall of the letter is outside the control of the sender; and (ii) if sent by facsimile, when sent (on receipt of a confirmation to the correct facsimile number). Provided, however, that no notice or communication to LENDER shall be effective unless actually received and acknowledged by LENDER. Notices or communication may be made to: (i) the Borrower/s' and Co-Borrower/s address or facsimile number to which notices are to be sent (as specified in this Agreement), and (ii) to LENDER at its Registered Office at Volkswagen Finance Private Limited, Silver Utopia, 3rd Floor, A wing, Cardinal Gracious Road, Chakala, Andheri east, Mumbai 400 099. In the event of any failure by the Borrower/s to notify LENDER in writing of any changes in his / her / their contact address or details, service of a notice / correspondence to the address specified in this Agreement or last given by the Borrower/s shall be deemed to be proper and sufficient service on

the Borrower/s irrespective of whether or not such notice shall be returned "unserved" to LENDER.

XIII. MISCELLANEOUS

- (a) It is expressly clarified and declared that any Manufactures/ Dealer / Suppliers for the Product by or through whom this transaction may have been introduced, negotiated or conducted shall not be deemed to be an agent of the LENDER and that the LENDER shall not be liable for any representation or statements made by such Manufacture / Dealer/ Supplies to the Borrower.
- (b) The Borrower/s' Dues or the security, if any, created in favour of LENDER, shall not be revoked or cancelled or affected by the death, dissolution, insolvency or winding up of the Borrower/s or any third party, and LENDER shall, so long as the whole (or any part) of the Borrower/s' Dues remains outstanding / payable to LENDER, be entitled to take possession of, and sell, lease, hire, transfer and/or to otherwise act / deal with respect to the Product(s) and to act upon and enforce all of its rights pursuant to, and in accordance with, the Loan Agreement Term and the Transaction Documents executed by the Borrower/s and/or any other persons to / in favour of LENDER.
- (c) The entries made in the accounts / account books / records of LENDER maintained in accordance with its usual practice and in compliance with the statutory requirements and/or any statement signed by a designated officer of LENDER with respect to the Borrower/s' Dues, shall be final and binding on the Borrower/s. Such entries and/or statements shall be conclusive evidence of the existence and amount of outstanding obligations of the Borrower/s as therein recorded in respect of the Facility and the Borrower/s' Dues.
- (d) The Borrower/s shall not assign or transfer all or any of its rights, benefits or obligations under this Agreement without the approval of LENDER. LENDER may, at any time, assign or transfer all or any of its rights, benefits and obligations under this Agreement and the other Transaction Documents. Notwithstanding any such assignment or transfer, the Borrower/s shall, unless otherwise notified by LENDER, continue to make all payments under this Agreement to LENDER and all such payments when made to LENDER shall constitute a full discharge to the Borrower/s from all its liabilities in respect of such payments.
- (e) Without prejudice to the aforesaid provisions of sub-clause 6, LENDER may (at its sole discretion), without notice to the Borrower/s, share the credit risk of the whole or a part of the Facilities with any other person by way of participation. Notwithstanding such participation, all rights, title, interests, special status and other benefits and privileges enjoyed or conferred upon or held by LENDER under this Agreement and the other Transaction Documents shall remain valid, effective and enforceable by LENDER on the same terms and conditions and the Borrower/s shall continue to discharge in full all its obligations under this Agreement and the other Transaction Documents to LENDER. The Borrower/s shall not have and shall not claim any privity of contract with such person on account of any reason whatsoever.
- (f) Any provision of this Agreement or any other Transaction Document, which is prohibited or unenforceable in any jurisdiction, shall, as to such jurisdiction, be ineffective to the extent of the prohibition or unenforceability but that shall not invalidate the remaining provisions of this Agreement or such other Transaction Document or affect such provision in any other jurisdiction.
- (g) No delay in exercising or omission to exercise any right, power or remedy accruing to LENDER upon any default or otherwise under this Agreement or the other Transaction Documents shall impair any such right, power or remedy or shall be construed to be a waiver thereof or any acquiescence in such default, nor shall the action or inaction of LENDER in respect of any default or any acquiescence by it in any default, affect or impair any right, power or remedy of LENDER in respect of any other default. The rights of LENDER under this Agreement and the other Transaction Documents may be exercised as

- often as necessary, are cumulative and not exclusive of their rights under the general law and may be waived only in writing and specifically and at LENDER's sole discretion.
- (h) The Facility, Loan Agreement and the other Transaction Documents shall (unless otherwise specified in this Agreement or any such Transaction Document) be governed by and construed in accordance with the laws of India.
 - (i) The Borrower/s' liability for repayment of the Borrower/s' Dues shall, in cases where more than one Borrower have jointly applied for the Facility, be joint and several irrespective of whether or not the Product(s) is / are jointly registered in the names of all the Borrower/s. Where the Borrower/s is an individual doing business as a sole proprietary concern, the Borrower/s shall be solely responsible for the liabilities of the aforesaid concern and will be personally liable for making repayment / payments of all amounts in respect of the Facility to LENDER.
 - (j) This Agreement shall also be subject to the changes at the discretion of LENDER, based on guidelines / directives issued by RBI or any other Statutory Authority from time to time.
 - (k) Notwithstanding sub clause 12, no modification or amendment of this agreement and no waiver of any of the terms and conditions hereof shall be valid or binding unless made in writing and duly executed by all the parties to this Agreement.
 - (l) All remedies of either party under this agreement whether provided herein or conferred by statute, civil law, custom or trade usages are cumulative and not alternative and may be enforced successively or concurrently.
 - (m) Due to implementation of GST, the tax(es) (i.e., IGST or SGST & CGST) at applicable rate will be charged and recovered on any amount received relating to charges including but not limited to processing charges, Loan cancellation charges, etc. If the Borrower refuse to/fails to pay the said due to whatsoever reason, then LENDER reserves the right to recover the same along with applicable rate of interest. In case the Borrower has paid an advance relating to charges and the contract ceases to exist and the Borrower refuses for 'the facility' due to whatsoever reason in future, then the LENDER reserves right not to refund amount of the tax(es) (i.e., IGST or SGST & CGST) collected at the time of receipt of advance.
 - (n) The Borrower shall agree to indemnify and hold harmless the Lender with respect to any liability that may arise on the LENDER due to change in rate of tax governed by GST law. All queries or disputes arising due charging of tax or refund of tax shall be governed by the then applicable GST Law. Further, the Borrower shall also agree to defend, indemnify and hold harmless the LENDER in case of any tax(es) (i.e., IGST or SGST & CGST) paid by the LENDER on/for the charges in the course of recovery of dues from the Borrower in case of default or otherwise. Further, the Borrower shall also agree to defend, indemnify and hold harmless the Company in case of tax(es) (i.e., IGST or SGST & CGST) to be paid by the LENDER on any amount charged as but not limited to cancellation charges.
 - (o) The Borrower who is a registered person and having valid GSTIN/UID under GST Law is under obligation to inform the LENDER about the any alteration/modification made by him/her in course of fulfilling compliance provided under GST law relating to but not limited to the Facility provided to him/her within reasonable time at periodicity mutually decided between the LENDER and the Borrower; to enable the LENDER to comply with the GST law compliances. The LENDER reserves the right to cancel/terminate the Loan Agreement due to noncompliance with GST law and further take appropriate proceedings to recover the outstanding Loan amount and other cost associated therein.
 - (p) The Lender reserves the right to collect tax at the rate applicable from time to time under the GST law.
 - (q) In case if the Borrower change the address from what has been provided and updated in Lender's records, it's the obligation of the borrower to inform the said change to the lender immediately by way of letter or mail communication which will be considered as an addendum made to the existing agreement. Based on such communication, lender will update the contract and the system. The change will be effective after 25 days of receiving such communication or 1st of the month whichever is later. Please note that in case failure on part of the borrower to update the new address to the lender, lender will consider the address updated with its records as final and accordingly charge GST.

I/We hereby confirm and admit that I/We have read all the terms and conditions of Loan Agreement and Standard Conditions and same have been read out, explained and interpreted to me/us in the language known to me/us and the same has been understood and agreed by me/us.

I/We hereby confirmed that copy of STANDARD CONDITIONS have been handed over to me/us and I/we am/are also aware that said Standard Conditions are available at Volkswagen-finance-india.co.in.

SIGNED SEALED AND DELIVERED by on the date of execution of the retail loan

agreement. the within named Borrower(s):

Name: _____

the within named Co-Borrower:

Name: _____

the within named Co-Borrower:

Name: _____

****Signature of Proprietor along with Proprietorship firm stamp**

**** Signature of Authorised partners / members of the firm / HUF / association with stamp:**

**** Signature of Authorised signatory of the company / society / trust with stamp**

(In case of non individual sign with stamps.)

(Pls affix Common seal in case of Company)