

# THE BHUJ MERCANTILE CO-OPERATIVE BANK LTD.

(Multi State Co.Op.Bank)

H.O “Vyapar Bhavan “ Mithakhali Six Roads,Ahmedabad 380006

## AGREEMENT FOR HYPOTHECATION OF VEHICLE

This Agreement made at \_\_\_\_\_ this \_\_\_\_\_ day of \_\_\_\_\_ two thousand and \_\_\_\_\_ between \_\_\_\_\_ (Hereinafter referred to as the “**Borrower**”(Individual, Proprietor, Partnership firm,,Company, LLP through it’s Proprietor,partners,directors,)which expression shall include his/ her heirs, executors, administrators, representatives) of the ONE PART and **THE BHUJ MERCANTILE CO-OPERATIVE BANK LIMITED**, a Bank registered under the Multi-State Co-operative Societies Act. , having it Head office at “Vyapar Bhavan” Mithakhali Six Roads, Ahmadabad 380006 and its Branch office at \_\_\_\_\_ (Hereinafter referred to as “the Bank” which expression shall include the successors and assigns) of the other part.

WHEREAS the Borrower applied to the Bank for a vehicle loan of Rs. \_\_\_\_\_ for the purpose of enabling the Borrower to purchase herewith from \_\_\_\_\_ the new/second hand \_\_\_\_\_ (name of the vehicle) described in the schedule ‘A’ hereunder written which the Bank agreed to grant of vehicle loan of Rs. \_\_\_\_\_ against the security of the hypothecation of the vehicle/s upon having repayment thereof on the terms and conditions hereinafter mentioned for the purpose of utilizing the same for business or personal use.

NOW IT IS HEREBY AGREED BETWEEN THE PARTIES AS FOLLOWS:

1. The Borrower agreed to open and maintain with the Bank a Current or Savings Bank Account and keep the account in sufficient funds and hereby authorise the Bank to debit the same with the amount to each installments of loan as and when it falls due.
2. The Borrower shall repay the said loan of Rs. \_\_\_\_\_ by \_\_\_\_\_ equal monthly installments of Rs. \_\_\_\_\_ each. The first of such installments being payable on the day of each succeeding month until the entire loan is repaid in full.
3. The Borrower shall pay the interest on loan at the rate of \_\_\_\_\_ over the Bank Rate with a minimum of \_\_\_\_\_ per annum every month If I/we make any default in repayment of EMI than I/ we agree to pay penal charge as may be decided by the bank from time to time charged by Bank.

4. The Borrower doth hereby, hypothecate by way of first charge in favour of the Bank all that the said vehicle/s which is described in the Schedule 'A' hereunder written (hereinafter called "the Hypothecated Vehicle" which expression shall include all fittings, tools, accessories, spares, and parts whatsoever pertaining to the said vehicle and all replacements or additions made therein or thereto from time to time) as security for due payment to the Bank of the said loan of Rs. \_\_\_\_\_ by the instalments on the days and in the manner aforesaid and for interest at the rate stated in clause 3 hereof and for all costs, charges and expenses (the legal costs being between Attorney and perfection of this security and for attempted or actual realisation thereof.
5. The Borrower shall not during the continuance of this Agreement sell, transfer, dispose of pledge, hypothecate or otherwise charge, encumber, lend or in any manner part with the possession of or deal with Hypothecated Vehicle nor shall the Borrower do or permit to be done any act whereby the security hereinbefore expressly given to the Bank shall in any way be prejudicially affected or whereby and distress or attachment or execution may be levied thereon by any creditor or other person.
6. So long as any money remains due in respect of the said loan, the Borrower shall not use or suffer the same to be used contrary to law and shall not use or allow to be used the said vehicle for any reliability trial or racing competition, without permission of the Bank.
7. The Borrower undertakes at all time to keep the hypothecated vehicle/s and all parts thereof and all equipment therein in thorough working order and in good repair and condition and to make no major alterations therein without the previous consent of the Bank and to keep the hypothecated vehicle duly and regularly serviced. Provided always that the Borrower shall not have or be deemed to have any authority to create a lien upon the same in respect of such repairs.
8. The Borrower shall notify the Bank at once of any change in his own address and the address of the premises to which the hypothecated vehicle may be moved subject nevertheless to the provisions of clause 6 above.
9. The Borrower hereby empowers the Bank and any person or persons from time to time authorised by the Bank in that behalf and without previous notice to the Borrower to enter any premises whatsoever for the purpose of inspection of the hypothecated vehicle or taking possession thereof pursuant to the power herein contained.

10. The Borrower shall whenever required by the Bank ,allow the Bank or its authorised agent to inspect and / or value the hypothecated vehicle/s. All costs charges and expenses incurred by the Bank of and incidental such inspection and valuation shall be paid to the Bank forthwith on demand ( the Bank's statement being conclusive) and until payment the same shall with interest at the rate of \_\_\_\_\_ P.A. be a charge upon the hypothecated vehicle. Any such valuation shall be conclusive and binding on the Borrower.
11. The Borrower shall pay all rent, taxes, rated and outgoings in respect of the premises in which the hypothecated vehicle either to the Government or to the Municipality or to any local/or public body or authority in default the Bank may (but shall not be bound to) pay the same without prejudice to any of its rights hereunder.
12. The Borrower shall at his own expenses keep the hypothecated vehicle/s insured against all such risks as may be required by law and also against all such further and other risks as the Bank shall from time to time require, for the full amount required by the Bank in one or more insurance offices approved by the Bank in the joint names of the Borrower and the Bank shall pay the premiums payable in respect thereof at least one week before the same shall have become due or payable and shall deliver to the Bank the policies of insurance (duly assigned to the Bank if so required by it) and shall keep on foot and maintain such insurances throughout the continuance of the security and deliver to the Bank the renewal receipts. The Borrower shall forthwith notify the Bank of any loss of or damage to the hypothecated vehicle or any parts or accessories by theft, fire, collision, accident or any other cause and shall on the happening of any such event lodge the necessary claim with the insurance Company within the prescribed time and shall also take steps to have the hypothecated vehicle put in thorough working order and in good repair and condition as soon as possible. All moneys receivable by Borrower under the Insurance Policy shall be applied by him in or towards repayment of the amount for the time being due hereunder to the Bank.
13. If default is made by the Borrower in payment of any rents, rates, taxes, duties, fees, charges and outgoing on any premium or any costs, charges and expenses of keeping the hypothecated vehicle, its parts and accessories in good repair and condition and in thorough working order or for any other purpose or of any other sum of money payable by the Borrower hereunder the Bank may (but shall not be bound to ) pay the same without prejudice to its rights hereunder and all such sums or money shall be repaid by the Borrower forthwith on demand by the Bank and shall until repayment with interest at the rate aforesaid be a charge on the hypothecated vehicle.

14. Not with standing anything herein contained the whole advance or the entire balance thereof outstanding at the time shall become forthwith due and payable by the Borrower to the bank and the Bank will be entitled to enforce its security hereunder upon the happening of any of the following events namely.

- (a) Any instalment of the said loan being unpaid upon the respective due date for payment thereof;
- (b) The Borrower committing any breach or default in the performance or observance of any term or condition contained in these presents;
- (c) Any execution or distress or other process being enforced or levied upon or against the whole or any part of the Borrower's account with the Bank on the hypothecated vehicle or any other property of the Borrower;
- (d) The Borrower being adjudicated insolvent or taking advantage of any law for the relief of insolvent debtors or entering into any arrangement or composition with his creditors or committing any act of insolvency;
- (e) If the Borrower shall without the consent in writing of the Bank create or attempt or purport to create any mortgage, pledge, hypothecation or lien or encumbrance on the hypothecated vehicle.
- (f) If any event or circumstances shall occur which shall in the opinion of the Bank be prejudicial or endanger or be likely to endanger its security hereunder.

15. If the Borrower makes any default in payment of any instalment of the said loan on the respective due dates for payment thereof as mentioned above for a period of one week after the same shall have become due whether demanded or not or if any event or circumstances shall occur which shall in the opinion of the Bank be prejudicial to or endanger or be likely to endanger this security or if any event or circumstance mentioned in clause 14 above happens or occurs the Bank if it thinks fit shall be entitled at the risk and expense of the Borrower without any notice at any time or times after such default or event of circumstance occurs or happens to enter (and for that purpose to do any necessary act, deed or thing) any place where the hypothecated vehicle may be and to inspect value insure and take charge or possession of the hypothecated vehicle and bank shall entitle to seize, recover, receive, appoint receivers of or remove and / or sell by public auction or private contract or otherwise dispose of or deal with the hypothecated vehicle. And to enforce realise settle compromise and deal with any rights aforesaid without being bound to exercise any of these powers or being liable for any losses in the exercise thereof and without prejudice to the Bank's rights and remedies of suit or otherwise and not with standing there may be any pending suit or other proceeding. The Borrower hereby also agrees to accept the Bank's accounts of sales and realisation and to pay any

shortfall or deficiency thereby shown; And if the net sum realised by such sale be insufficient to pay the amount secured the Bank shall be at liberty to apply any other money or moneys in hands of the Bank standing to the credit or belonging to the Borrower in or towards the payment of the balance. And in the event of there being still deficiency, the Borrower shall forthwith pay such deficiency provided that nothing herein contained shall be in any manner prejudice or effect the Bank's remedy against the person of the Borrower.

16. In the event of there being a surplus available out of the net proceeds of such sale, after payment in full of the balance due to the Bank it shall be lawful for the Bank to apply the said surplus together with any other moneys belonging to the Borrower for the time being in the hands of the Bank in or under whatever accounts as far as the same shall extend in or towards payment of liquidation of any and all other moneys which shall be or become due from the Borrower whether solely or jointly with any other person, firm, or company to the Bank by way of loans or overdraft or any other demands legal or equitable which the Bank may have against the Borrowers or which the law of set-off or mutual credit would in any case admit and whether the Borrower shall become or be adjudicated bankrupt or insolvent or otherwise and interest thereon from the date on which any and all advance or advances in respect thereof shall have been made at the rate or respective rates at which the same shall have been so advanced.
17. The Borrower hereby declares and guarantees that the hypothecated vehicle/s is/are and shall remain the absolute and unencumbered property of the Borrower with full power of disposition there over.
18. The Borrower shall furnish and certify all statements and information from time to time and as required by the Bank and give and execute any necessary documents required to give effect to the security.
19. The Borrower agrees to accept as conclusive proof of the correctness of any sum claimed to be due from him to the Bank under this Agreement a statement of account made out from the books of the Bank and signed by the accountant and / or other duly authorised officer of the Bank without the production of any other voucher, document or paper.
20. The Bank shall not in any way be liable or responsible for any damage or depreciation which the hypothecated vehicle, any part thereof, may suffer or sustain on any account whatsoever while the same shall as any time come into possession of the Bank.
21. Nothing herein shall operate to prejudice the Bank's rights or remedies in respect of any present or future security guarantee obligation or decree for any indebtedness of liability of the Borrower to the Bank.

22. Any notice by way of request or otherwise hereunder may be given by the Bank to the Borrower personally or may be left at the then or last know place of service or residence of the Borrower (as the case may be) or may be sent by post to the Borrower as aforesaid and if sent by post such notice shall be deemed to have been given at the time when it would be delivered in due course of post and in proving such notice when given by post, it shall be sufficient to prove that the envelope containing the notice was posted and a certificate signed by the Bank's Local Manager or Agent that the envelope was so posted shall be conclusive.

23. In case of default and any dispute between the bank and borrower and /or guarantors, regarding terms of sanction or repayments etc the matter will be referred to arbitrator appointed by for the bank or to any competent court which shall be binding to the all borrower and guarantors subject to Ahmedabad/Bhuj/Mumbai jurisdiction.

Borrower/es Signature

(with name of Individual/joint borrowers /Firm/Company/LLP with stamp)

**Schedule A**

Make	Model	Year of Mfg
Engine No.	Chasis No.	Registration No.