

SANCTION LETTER

Ref No: _____

Date: _____

To,

Dear Sir/Madam,

Sub: Sanction of Prime Car Loan of Rs. _____ /- (Rupees _____ Only)

Please refer to application for Prime Car Loan made by you.

2. We are pleased to inform you that Shinhan Bank ("**Shinhan Bank**" and/or "**Bank**") has, at your request, sanctioned Prime Car Loan (hereinafter referred to as "**Facility/Loan**"), for an amount of **Rs. _____ /- (Rupees _____ Only)**

3. The Prime Car Loan Facility shall be made available to you, through Mumbai branch of Shinhan Bank. You agree that the Facility shall be subject to the term and conditions hereof and as set out in **Annexure I** hereto ("**Terms and Conditions**").

4. Please convey your acceptance of the above (including the Terms and Conditions) by returning a duplicate copy of this Sanction Letter duly signed in token of your acceptance within 15 days from the date of receipt of this Sanction Letter.

Yours sincerely,
For Shinhan Bank

Authorised Signatory

Acceptance

I _____ hereby acknowledge, approve and accept the terms and conditions specified in this Sanction Letter as well as the Terms and Conditions and irrevocably agree to be bound by the same.

Borrower

Annexure I
Terms and Conditions

1.	Validity period of Sanction Letter	30 days from the date of issue i.e. upto ____.____.20__
2.	Name of Borrower(s)	
3.	Facility	Prime Car Loan
4.	Facility Amount	Rs._____/ - (Rupees _____ only)
5.	Purpose	Purchase of car for personal use.
6.	Validity Period (for Disbursement of Facility)	90 days from the date of this Sanction Letter.
7.	Processing fee (non-refundable)	Nil
8.	Tenure	___ months from the date of disbursement.
9.	Repayment / EMI/ EMI Due Date	<p>The Facility shall be repaid in the following manner:</p> <p><u>EMI Fixed Installment Amount:</u> EMI of Rs._____/ - (Rupees _____ Only) payable on ___th day of every month (EMI Due Date), towards Interest, and Principal</p> <p>The EMI specified above shall be subject to revisions based on changes to the applicable Interest Rate (as applicable).</p> <p><u>General Notes:</u></p> <p>a) The Borrower/s shall provide 1 post-dated cheques / Electronic Clearance Service (ECS) mandate/ Standing Instruction (SI) mandate towards the entire EMI/ Bullet Repayment Amount/ Bullet Interest Payment (as applicable).</p> <p>b) The last EMI/ Bullet Repayment Amount/ Bullet Interest Payment amount shall be payable on the last date of the Tenure.</p>
10.	Rate of Interest (% p.a.)	<p>Please note that the Interest Rates mentioned below are indicative in nature and subject to change at the time of Disbursement, as per prevailing interest rate guidelines and other factors, as may be determined by the Bank at its sole discretion.</p> <p><u>FLOATING INTEREST RATE FOR ENTIRE TENURE OF LOAN:</u></p> <p>a) The Borrower(s) shall pay Interest on the Principal amount of the Loan (as outstanding from time to time) at the rate</p>

		<p>arrived at as per the following formula: Interest Rate = Repo Rate + Spread</p> <p>b) The Interest shall be computed on the basis of a year of 365 days.</p> <p>c) It is agreed that the EMI/ Bullet Repayment Amount/ Bullet Interest Payment (as applicable) shall stand revised on the basis of any changes to the Interest Rate.</p> <p>Note:</p> <p>1) Rate of Interest mentioned herein is indicative in nature and is subject to change at the time of disbursement/ withdrawal as per prevailing interest rate guidelines and other factors.</p> <p>2) Any change in interest rate due to reset or RBI changing the interest rate methodology or otherwise, will result in adjustments being made to the EMI / Bullet Repayment Amount/ Bullet Interest Payment (as applicable) and/or Facility tenure at the sole discretion of the Bank.</p>
11.	Repo Rate	<p>As on the date, the Repo Rate is: _____%</p> <p>Please note that the Repo Rate is subject to change/ reset from time to time. In this regard, please refer to the notifications/ circulars/ intimations issued by the RBI from time to time, including on www.rbi.org.in. Upon such reset, the revised Repo Rate shall be considered for the purpose of determining the Interest Rate payable on the immediately succeeding Due Date (following such reset). As on date, the Repo Rate is revised/ reset on a quarterly basis, which is subject to changes.</p>
12.	Spread	<p>As on Execution Date, the Spread is: _____%</p> <p>The rate of interest for each drawal of the Facility will be stipulated by the Bank at the time of disbursement of each drawal, which shall be sum of the Repo Rate*+ "Spread" per annum, plus applicable statutory levy, if any ("Interest Rate").The applicable Repo Rate shall be the rate prevailing one Business Day Preceding the date of each drawal. As on date the Repo Rate is _____% and Spread is _____. **"Repo Rate" or "Policy Repo Rate" means the rate of interest published by the Reserve Bank of India ("RBI") on the RBI website from time to time as Repo Rate or Policy Repo Rate. The Repo Rate component of the Interest Rate shall be reset after every three months from the date of execution following the date of each drawal, plus applicable statutory levy, if any. The Bank shall have the right to modify the reset frequency and reset date from time</p>

		to time in accordance with the extant RBI Guidelines. The Borrower further acknowledges that Interest Rate may change, upward or downwards, as the case may be, in line with change in the Repo Rate. The Bank reserves the right to reset the Spread at any time upon substantial change in the Borrower's credit assessment and/ or on account of deterioration in the credit risk profile. Any change in 'Spread' would be communicated by the Bank through either: (i) Letter (ii) E-Mail (iii) SMS (iv) Statements of Accounts (v) WhatsApp or any other suitable mode. The Borrower shall be deemed to have notice of changes in the Repo Rate when displayed on the notice board of the Branch or displayed on Bank's website (www.shinhanbank.com) and the Borrower is liable to pay such revised rate of interest.
13.	Effective Rate of Interest (p.a.)	_____ % (Repo Rate) + _____ % (Spread) = _____ %.
14.	Mode of communication of changes in Interest Rate	Rate of interest mentioned herein is indicative in nature and is subject to change as per prevailing interest rate guidelines and other factors. The applicable Interest Rates will be displayed on the website of the bank i.e https://in.shinhanglobal.com/global.shinhan and/or notice at Shinhan branches. Further, Shinhan Bank may, at its discretion, periodically communicate such information to the Borrower(s) by way of e-mail at the address as specified in the Application Form – notwithstanding, it shall be the Borrower's responsibility to keep itself apprised about changes in the Interest Rate by verifying the same on the website as indicated above and/or by way of seeking confirmation from the Bank's branch which has sanctioned this Facility.
15.	Date on which annual outstanding balance statement will be issued.	NA
16.	Overdue Charges	<p>Upon any delay in payment of an EMI/ Bullet Interest Payment/ Bullet Repayment Amount (as applicable) (or part thereof) and/or any other outstanding amounts under the Facility, the Bank may, at its discretion, charge additional interest over and above the applicable Interest Rate as Overdue Charges (at the prevailing rate of Overdue Charges, as may be determined by the Bank from time to time):</p> <p>(a) for the first 14 (fourteen) days from the date of default, on the EMI amount/ Bullet Interest Payment/ Bullet Repayment Amount (as applicable) (or part thereof) and/or the relevant outstanding amount in respect of which such delay has been caused; and</p> <p>(b) on and from the 15th (fifteenth) day from the date of default, on the entire Amounts Due, till the payment</p>

		<p>thereof.</p> <p>Please note that the Overdue Charges are subject to change from time to time as per the internal policies of the Bank.</p> <p>In order to regularize overdue account/ defaulted outstanding amounts, the Borrower(s) shall have to repay the defaulted/ overdue amounts plus the Overdue Charges.</p>
17.	Security	<p>a) Hypothecation of Vehicle in favor of Shinhan Bank, Mumbai Branch by noting in registration certificate (RC)</p> <p>b) 1 Undated cheque.</p>
18.	Guarantee & DPN	<p>The repayment of the Facility, together with Interest, charges, costs, default interest, Overdue Charges, further interest, expenses and other obligations of the Borrower(s) under this Sanction Letter, loan documents and other financing documents will need to be secured by the following:</p> <ol style="list-style-type: none"> 1. Guarantee by a guarantor– N.A 2. Demand promissory note(s). 3. UDCs <p>Any additional security (in the form and manner acceptable to the Bank) as required by the Bank.</p>
19.	Insurance	<ol style="list-style-type: none"> 1. Comprehensive and valid Insurance Policy with lien marked as hypothecated to “Shinhan Bank” within 3 business working days from the date of disbursement. 2. The car purchased is to be kept comprehensively insured for at least 110% of the loan amount outstanding. 3. Renewal of Insurance Policy should be done by the borrower on due date and physical insurance policy copy to be submitted time to time.
20.	List of charges	<ol style="list-style-type: none"> 1. Prepayment charges: N.A <ol style="list-style-type: none"> (i) The prepayment of the Facility shall be subject to the consent of the Bank and its internal policies. (ii) In case of prepayment of Facility, the Borrower(s) shall give a written notice of at least thirty (30) days expressing the intention to prepay the Facility. (iii) The Borrower(s) shall be liable to pay prepayment charges as may be specified by the Bank at the time of making any Prepayment. The prepayment charges as updated on the website of Shinhan Bank from time to time for information to public at large, can be revised at any time at the sole discretion of the Bank in accordance with the applicable Law and the Borrower(s) shall be bound to pay the same. 2. On foreclosure of Facility: 3. Stamp charges as applicable.
21.	Documentation	<ol style="list-style-type: none"> i. Prime Car Loan Agreement ii. Demand Promissory Note (DPN) & DPN covering letter iii. DPN cum waiver letter

		<ul style="list-style-type: none"> iv. Letter of continuity for DPN v. Loan cum Hypothecation Deed vi. Power of Attorney (POA) vii. Addendum to Loan cum Hypothecation Deed and POA viii. Vehicle Surrender Letter ix. Undated cheque x. Auto Debit Instruction / ECSs authorization letter xi. Standing instructions xii. Disbursal Request xiii. Any other document as required by Bank.
22.	Expenses	The Borrower/s shall reimburse the Bank for all charges and expenses incurred in connection with the preparation, execution and amendment of any documents related to the Facility, including but not limited to legal costs, travel, and out-of-pocket expenses, and irrespective of the Facility being sanctioned or not. The Borrower/s shall reimburse expenses incurred by Shinhan Bank in connection with the performance, enforcement and realization of the Loan Documents and other documents/instruments executed in pursuance hereof and also other charges incurred by Shinhan Bank on account of standing instructions, electronic clearing system, salary deductions and other miscellaneous charges in relation to the Facility.
23.	Pre- disbursement Conditions	<p>The Bank shall disburse the Facility only after satisfaction of the following conditions:</p> <ol style="list-style-type: none"> 1. Borrower accepting the Sanction Letter and executing the Loan Documents in accordance with the standard format and to the satisfaction of the Bank. 2. Disbursement is subject to technical clearance of vehicle being financed- N.A 3. Disbursement is subject to the satisfactory credit verification. 4. Clear RCU report. 5. Original Invoice and Own Contribution receipt with bank clearance required.
24.	Method of disbursement	The proceeds of the Loan will be disbursed by way of issuance of DD/PO in favour of Dealer/Manufacturer or by any other acceptance mode at the sole discretion of the Bank.
25.	Post- Disbursement Conditions	<ol style="list-style-type: none"> 1. The branch should obtain the full and final Invoice along with delivery note of dealer/manufacturer with lien marked as hypothecated to "Shinhan Bank" within 3 business working days from the date of disbursement. 2. The branch should obtain the temporary registration certificate with lien marked as hypothecated to "Shinhan Bank" within 3 business working days from the date of disbursement. 3. The branch should obtain the copy of Registration Certificate (RC) Book with lien marked as hypothecated to "Shinhan Bank" within 90 days from the date of

		disbursement of loan to the dealer/manufacturer.
26.	Special Condition	NA
27.	Event of Default	On occurrence of any event of default as mentioned in the General Terms and Conditions (“ Event of Default ”), all outstanding amounts owned by the Borrower(s) to the Bank shall become payable forthwith and the Bank reserves the right to undertake such necessary processes/measures to enforce its rights under the Loan Documents including but not limited to charging Overdue Charges for the delayed payment, recovery of dues in accordance with the remedy available under the applicable law. The actual procedure shall be determined by the Bank depending upon the circumstances of each case.
28.	Customer service and grievance redressal	For any Facility-related issue, customers can get in touch with the Bank by <ul style="list-style-type: none"> i. Visiting a Bank branch ii. Placing a request online by logging onto our official website: https://in.shinhanglobal.com/global.shinhan If there are instances where the customer is not satisfied with the services provided by the Bank, to highlight such instances and/or register a complaint, the customer may refer to the grievance redressal policy displayed on our official website.
29.	Governing Law & Dispute Resolution	All matters relating to and/or arising in connection with the Facility and the Loan Documents, including validity, construction, performance and enforcement of the terms and conditions thereof, shall be governed by the laws of the Republic of India. All disputes relating to and/or arising in connection with the Facility and the Loan Documents, including validity, construction, performance and enforcement of the terms and conditions thereof, shall be subject to the jurisdiction of the courts of law as specified in the General Terms and Conditions, and resolved in the manner as specified in the said General Terms and Conditions.
30.	General Terms and Conditions	(i) In case of resignation, termination, death or cessation of service from present employer, for any reason what so ever before the completion of the tenure/maturity of the loan, availed by the Borrower, the loan shall become due for repayment immediately together with interest. If the same is not repaid to the bank, the interest would automatically be reset at 2.00% p.a. over and above the agreed interest rate. (ii) The borrower hereby gives its irrevocable authority/ consent to debit its account with the Shinhan bank and recover the monthly interests, other charges, final installment amount etc. for repayment of the loan on due dates. (iii) It will be the prime responsibility of the Borrower to repay the loan amounts with interest etc. in full on respective due dates and borrower will not divert/ credit the amount

		to any other account with us or any other bank, without Shinhan Bank's written concurrence on due date of installment.
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Signature and stamp of Branch official

Date: _____

Place: Mumbai