## LOAN AGREEMENT

THIS LOAN AGREEMENT is executed on **………………… at** ……………………… between:- **………………………. R/o ……………………………, as** sole proprietor of **M/s …………………………,** hereinafter called the “**BORROWER/SOLE PROPRIETOR**” (which expression shall be deemed to include his heirs, executors, administrators, successors and assigns) of the one part and The Jammu & Kashmir Bank Limited a banking company incorporated under The Jammu & Kashmir Companies Act 1977 (Svt.) having its registered office at Corporate Headquarters, Maulana Azad Road, Srinagar and a branch office at **………….**, Kashmir, or any other business unit where the account of the Borrower may be transferred at any time, hereinafter called the “BANK” (which expression shall be deemed to include its successors and assigns) of the other part.

Whereas, the Borrower is Contractor by occupation and carrying on the said occupation under the name and style of **M/s …………………….**

Whereas the said Borrower has approached and requested the J&K Bank Limited, through its Business Unit at **…………..,** “hereinafter called the Bank” for grant of Term Loan facility for purchase of **………………………. as per proforma invoice No. ……………… dated ………………. of M/s ………………….,** required by him for smooth running of his said contractor business.

WHEREAS, pursuant to the request of the borrower, the said bank has vide **sanction Letter No. …………………. dated …………………. read with letter No. ……………….. dated 23-07-2019 sanctioned under J&K Bank’s ………………… Fiancé Scheme” a** Term loan of **Rs…………. Lac (Rupees ……………. lacs) only for purchase of …………………….. as per proforma invoice No. ……………… dated ……………..**, interalia against the primary security of hypothecation of the said vehicles and collaterally secured by Guarantee of two persons; and

WHEREAS the Borrower has agreed to execute this Loan Agreement evidencing the terms and conditions governing the grant of the said loan facility above mentioned sanctioned/allowed by the Bank in favour of the Borrower.

Now, therefore, this Loan Agreement witnessed as under:-

1. That the Bank has at the request of the Borrower sanctioned/allowed a term loan facility of **Rs…………… Lac** in favour of the Borrower, for purchase of **Vehicles**, interalia against the primary security of hypothecation of the said vehicles with accessories etc and collaterally secured by Guarantee of two persons namely **(i) ………………. son of ……………. R/o ………………… & (ii) ……………………. son of ……………….. R/o …………………….**.

2. That the Borrower have in consideration of the credit facility to be availed by them, in addition to this Loan Agreement, executed the below mentioned documents in favour of the Bank to secure the repayment of the amount of advance by the Bank to the Borrower together with interest and other charges accruing thereon and the costs and expenses incurred by the Bank from time to time till the adjustment thereof; a) Letter of Undertaking b) Deed of Hypothecation c) Affidavit d) Irrevocable Power of Attorney & e) Deed of Guarantee.

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3. The Borrower further agree to execute on the Bank’s demand any fresh or further documents as advised or prescribed by the Bank at any time during the currency of the credit facility.

4. That the Borrower hereby agree and confirms that the Bank shall have the sole and absolute discretion to allow the Borrower all or some or any of the credit facility aforementioned by way of term loan from time to time. It is further agreed that the Bank shall not be bound to continue, extend or enhance any of the said credit facility except at its absolute discretion and that the Bank shall be entitled to decide as to the continuance or reduction in the limit of the said credit facility.

5. That the Borrower shall pay interest on the term loan facility as prescribed by the Bank **per annum** or such other rates as may be prescribed by the Bank from time to time at its sole discretion with monthly rests.

6. The Borrower hereby agree, undertake and confirm to repay the amount of advance together with interest and other charges thereupon by paying \_\_\_\_\_\_\_\_\_ Equal Monthly Installments of **Rs.\_\_\_\_\_\_\_\_\_\_\_\_\_\_/-**. The Borrower further agree that in the event of a default in the payment of any installment/s towards the repayment of the loan amount, the Bank shall be authorized to charge penal interest @ ………..% above the aforesaid contracted rate for the period of default. The Borrower also agrees to pay such installment as may be fixed in case there is a change in the rate of interest.

7. The Borrower shall immediately at their own cost and expenses insure the vehicles as are of insurable nature and hypothecated by the Borrower in favour of the Bank as security for the credit facility above mentioned sanctioned/allowed by the Bank in their favour, against all risks of fire, theft, break-down and damage and destruction by acts of mob-violence, strike or riots or earthquakes, floods and the like natural calamities or any other risk as may be required by the Bank in the joint names of the Borrower and the Bank with the agreed Bank Clauses, with some insurance company of repute, to be approved by the Bank, for full market or book value of such property/ies whichever is higher, and deliver the insurance policies/cover notes, premium receipts, etc. to the Bank. The insurance shall be affected in respect of properties in transit as well. In the event of the Borrower’s failure to effect such insurance of the hypothecated vehicles, the Bank may at its sole discretion arrange to insure the said vehicles of the Borrower charged to the Bank by way of hypothecation, pledge etc. against the risks as aforesaid in the joint names of the parties concerned and debit the premium and other charges incurred for this purpose to the Borrower’s account. The Bank shall be entitled to call upon the Borrower to insure these properties against other risks and in case of the Borrower’s failure to do so, the Bank may at its sole discretion also arrange to insure the same against the said risks and debit the costs and expenses of such insurance to the Borrower’s account without any further notice. The Borrower expressly agrees that the Bank shall be entitled to adjust towards the liquidation of the balance outstanding in the said account of the Borrower any claim received from the insurance company under or in connection with any policy or policies of insurance and such adjustment shall be valid and binding on the Borrower and the Bank shall give a valid discharge to the Insurance Company against any such payment/s in respect of the insurance policy/ies and the Borrower shall not be entitled to raise any question or

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dispute that a large sum might or ought to have been received and shall at no time dispute its liability for the repayment of the balance remaining unpaid on such accounts after the said credit/s.

8. That the Borrower shall not create any other charge or encumbrance whatsoever upon any of the properties or part thereof hypothecated to the Bank during the continuance of the Borrower’s indebtedness to the Bank in the said account and during the currency of the said loan facility.

9. That the Borrower shall not avail any facilities by way of loan/advance from any other Bank or financial institution without the prior permission of the Bank.

10. That the Borrower shall not during the currency of the credit facility make any change in the constitution or structure except with the Bank’s permission and shall not do anything prejudicial to the Bank’s interest.

11. That the Borrower shall get the Bank’s charge by way of hypothecation registered with the concerned R. T. O

12. It is also hereby agreed that all the legal and other expenses in connection with the preparation and execution of this agreement and all other documents including stamp duty and registration fee and convincing charges etc. and disbursal of the proposed loan facility shall be borne by the Borrower.

13. It is also hereby agreed that nothing herein contained or contained in any other document shall be construed as excluding the general Lien and the right of setoff of the Bank for all or any balance/s due to the Bank in respect of all or any account/s, upon or over all or any security/ies for the time being held by the Bank and all or any such security/ies or amount/s or credit balance/s, in whatever form that may come into the hands of the Bank, and nothing contained herein or any other documents executed by and between the Borrower and the Bank shall be construed to exclude the Bank’s general line and/or the right of setoff for any balance/s due to the Bank over any security for the time being held.

14. The Borrower hereby confirms and agree that the Bank shall be within its rights to change, amend or alter any of the terms and conditions contained in the letter of sanction bearing **No. ……………. dated ………………… read with letter No. ……………….. dated ……………….,** or any other document and the Borrower shall have no right to raise any dispute whatsoever with respect to such change, alteration or amendment.

15. Any notice by way of request, demand or otherwise meant to be given to the Borrower shall be deemed to have been duly served upon the Borrower if sent by registered post on the last known address of the Borrower or any of the individual constituting the Borrower or has been delivered personally or left at the last recorded address with the Bank. However, a reasonable period which

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shall not in any case exceed seven days for service of the notice shall be allowed in case the same is sent by registered post.

16. That the Borrower hereby agree as a pre-condition of the loan given to the Borrower by the Bank that in case the Borrower commit default in the repayment of the loan or in the repayment of interest thereon or any other agreed installment of the loan on due dates your Bank or the Reserve Bank of India will have an unqualified right to disclose or publish their name as defaulter in such manner and through such medium as the Bank or the Reserve Bank of India in their absolute discretion may think fit.

17. That as a pre-condition of the loan given to Borrower by the Bank the Borrower hereby agree and give their consent for the disclosure by the Bank of all or any information and data relating to the Borrower; the information and data relating to any credit facility availed of and/or to be availed of by the Borrower, and default, if any committed by the Borrower, in discharge of obligations assumed and or to be assumed by the Borrower, as the Bank may deem appropriate and necessary to disclose and furnish to the Credit Information Bureau (India) Limited and any other agency authorized in this behalf by Reserve Bank of India.

18. That the Borrower declares that the information and data furnished by him to the Bank are true and correct and further undertakes that:

(a) The Credit Information Bureau (India) Limited and any other agency authorized may use and process the said information and data disclosed by the Bank in the manner as deemed fit by him; and

(b) The Credit Information Bureau (India) Limited and any other agency authorized may furnish for consideration, the processed information and data or products thereof prepared by them, to Banks, Financial Institutions and other credit grantors or registered users, as may be specified by the Reserve Bank of India in this behalf.

IN WITNESS WHEREOF the Parties hereto have set and subscribed their hands unto this LOAN AGREEMENT on the day, month and the year first hereinabove written at **Srinagar**.

W I T N E S S E S:

1.

For self and on behalf of

**M/s …………………,**

**……………………….**

**……………………..**

(BORROWER/SOLE PROPRIETOR)

2.

(For the Bank)