

AGREEMENT FOR LOAN

THIS AGREEMENT is made at _____ on this _____ day of _____, 20 ____ by :

REFER
FOOT
NOTE
NO. 1

hereinafter called "**THE BORROWER/S**" (which expression shall include wherever the context so requires its/their heirs, executors, administrators, successors and assigns) in favour of **KNS BANK** (The Kurla Nagarik Sahakari Bank Ltd.) which is registered under the Co-operative Societies Act 1960 and having its Administrative Office at 312, Commercial 'A' Wing, Kohinoor City Mall, Off. L.B.S. Marg, Kiroi Road, Kurla (W), Mumbai - 400 070 and having one of its branch at _____ hereinafter called "**THE BANK**" (which expression shall include its successors and assignees).

WHEREAS at the request of the Borrower/s, the Bank has granted to the Borrower/s as Term Loan of Rs. _____ (Rupees _____) for the purpose of _____ on the Borrower/s agreeing to repay the said loan with interest and other charges as hereinafter mentioned and on the Borrower/s agreeing to comply with the terms and conditions contained herein in addition to the other terms and conditions that may be stipulated by the Bank from time to time either in the letter of sanction or otherwise.

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

1. In pursuance of the said agreement and in consideration of the sum and Repayment of Rs. _____ (Rupees _____) agreed to be lent and / or advanced by the Bank to the Borrower/s in one or more instalments according to the needs of the Borrower/s and as the Bank deems fit, the Borrower/s hereby covenant/s with the Bank to repay the said sum of Rs. _____ or such sum as may be actually advanced in such instalments and on such dates and in the manner set out in the **Schedule** hereunder written. In the event of failure of the Borrower/s to pay any one instalment on its due date, the entire amount then outstanding shall at the option of the Bank become due and payable immediately.
2. The Borrower shall repay the loan amount along with floating interest compounded at monthly rest @ _____ % p.a. (i.e. _____ % above / below the Bank's Prime Lending Rate presently being _____ % p.a.) in _____ monthly instalment of Rs. _____ each at the current rate.
3. So long as any monies are outstanding in the said loan account, the Borrower/s will pay to the Bank interest as follows :
 - (i) Interest will be calculated on the daily debit balance in the said account from time to time @ _____ % p.a. was stated in point no. 2 above with monthly rests to be taken and such interest to be paid by the borrower/s on or before 15th of every succeeding month.
 - (ii) The Bank shall be entitled to change the rate of interest/penal interest and its periodicity in accordance with the Bank's policy, PLR or as per RBI Directives from time to time by publishing the same either in any Newspaper or on Notice Board of the Bank or made known through an entry in the Statement of Account and no separate notice or communication will be given to the Borrower / Sureties regarding such revision and the Borrower/s hereby agree to pay interest thereafter at such revised rate/rates. The Bank shall also be entitled to increase the amount of installments and/or number of installments as and when there is revision in rate of interest. The Borrower/s / Sureties shall be deemed to have consented to such changes.
 - (iii) Penal Interest at the rate as decided by the Bank from time to time will be charged over and above the interest rate stated above, on the total outstanding loan amount for default in payment of monthly installment/s or for non-compliance of any of the terms, conditions and Rules of the Bank / RBI from time to time.
 - (iv) In default of payment of interest as stated above, the same shall be capitalized and added to the principal and shall be treated as an advance to the Borrower/s and the Bank will be entitled to charge interest at the aforesaid rate on the amount of the debit balance inclusive of interest not paid by the Borrower/s and hence capitalized as aforesaid, in addition to charging penal interest at the rate decided by the Bank from time to time from the date of default to the date of actual payment of interest and installments.
 - (v) The Borrower/s further covenant that the Bank will be entitled to recover the notice / visit charges as fixed by the Bank from time to time along with the actual postage. As well, in case of dishonour of cheques, drawal against uncleared effects, the Bank will be entitled to recover the service charges as fixed by Bank from time to time. Such charges will be debited to the Borrower/s account and the same shall be deemed as an advance secured by these prevents, for which the Borrower unconditionally consents.
4. In default of payment of any one or more instalments as stated above the Bank shall be entitled to demand payment of the entire amount then outstanding along with interest in respect of the said loan, as if the period for repayment has expired and shall also be entitled on failure to pay the interest at the end of each month to debit to the

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Borrower/s loan account and capitalised the amount of such interest as if such amount was a fresh loan advanced by the Bank to the Borrower/s and shall be entitled to charge like interest thereon, in addition to charging penal interest at the rate decided by the Bank from time to time from the date of default to the date of payment of such defaulted interest.

5. The Borrower/s covenant/s that the loan will be utilised for the purpose for which it is sanctioned by the Bank and for no other purpose and all the terms and conditions of sanction of the loan will be duly observed.
6. The Borrower/s agree/s to give security for repayment of the loan as and if required by the Bank and to execute such further documents by the way of registered / equitable mortgage of the immovable property belonging to the Borrower/s and / or hypothecation of movable, plant and machinery, stocks of raw materials, receivables, current assets, etc., as may be required by the Bank from time to time to secure the loan agreed to be lent or lent and advanced by the Bank or the balance outstanding in the said loan account from time to time. The Borrower/s shall procure execution of such mortgage documents by all the persons having right title or interest in the property that may be offered in mortgage and to make out clear and marketable title to such property.
7. The Borrower/s further agrees to obtain solvent Guarantors to the satisfaction of the Bank, to guarantee the due repayment by the Borrower/s of the said loan and or the balance outstanding from time to time thereon and further agrees/s to procure the execution by the said Guarantors of Guarantee Agreement (in the form prescribed by the Bank in this behalf) in favour of the Bank and secured by way of registered or equitable mortgage of the Guarantor's immovable property to secure the guarantee to be undertaken by the Guarantors.
8. For the purpose of the clause 6 and 7 the Borrower/s agree/s to obtain necessary consent from joint holders or necessary parties and the performance of the other acts or deed as may be required to create proper security in favour of the Bank.
9. The Borrower/s agree that the loan granted/to be granted will be further subject to such additional terms and conditions as may be stipulated by the Bank and in such case additional terms and conditions will be treated as if they were incorporated in this loan agreement and will be observed by the Borrower/s and enforceable by the Bank.
10. The Borrower/s agrees/s that without prior notice the Bank shall be entitled to set off credit balance in any account whether savings, current or fixed deposits or any other monies held by the Bank on account of the Borrower/s towards to the liquidation in so far as it shall extend to the monies due by the Borrower/s to the Bank under the said loan.
11. The Borrower/s agree/s that the Bank may hold all securities of the Borrower/s (which may not be in possession of the Bank or which may at any time hereafter come into Bank's possession) and the proceeds thereof respectively not only for the specific advance made thereon but also as a collateral security for any other monies now due or which may at any time be due from Borrower/s to the Bank, whether singly or jointly with another or others.
12. The Borrower/s agree/s that in addition to any general lien or similar right to which the Bank as Bankers may be entitled by law, the Bank may at any time and without notice to the Borrower combine or consolidate all of any of the Borrower/s account and set off or transfer any sum or sums standing to the credit of anyone or more of such account or in other respect, whether such liabilities be actual or contingent, primary or collateral and several or joint.
13. The Borrower/s agree/s that if any balance of the sale proceeds shall remain in the hands of the Bank after the sale of any of the securities, the Bank may at its sole discretion apply the balance if any towards any sum or sums of money that may be owing the Borrower/s to the Bank upon any other account or any other transactions

separate or distinct from the security and the Bank will pay to the Borrower/s surplus which may remain after settlement of all claims of the Bank against the Borrower/s.

14. No change of whatsoever in the constitution of the Borrower/s shall impair or discharge the liability of the Borrower/s to the Bank hereunder.
15. Any demand or notice to be made or given to the Borrower/s may be made or given by leaving the same at or posting the same by post in an envelope under Certificate of posting addressed to the Borrower/s at their place of business, residence or office and every such demand at the time at which it should have been delivered in the ordinary course of post.
16. Any delay tolerated or any indulgence shown by the Bank in enforcing the terms of this agreement or any forbearance or giving of any time to the Borrower/s shall not be construed as waiver on the part of the Bank of any breach or non compliance of the terms and conditions of this agreement by the Borrower/s nor shall the same in any manner prejudice the right of the Bank.
17. Nothing herein contained shall prejudice any other securities, present or further, or any other remedy available to the Bank against the Borrower/s, their Partners / Directors / Trustees, Guarantors or any other person liable to pay or contribute towards the recover of monies hereunder due by the Borrower/s to the Bank.
18. The Borrower/s agree/s that this Agreement shall be in full force and effect and shall not be terminated till the said loan account is closed and all outstanding thereon satisfied in full, no shall it be treated as merged into or modified or altered due to execution of the security and other documents hereafter.

THE SCHEDULE ABOVE REFERRED TO

Total No. of EMI's	Amt. of EMI Rs.	Due Dates	
		1st EMI	Subsequent EMI's
			On or before 15th of every succeeding Calendar month

FOOT
NOTE
NO. 2

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FOOTNOTE NO. 1

I. In case Borrower is individual then state in the blank clause (No. 1) as follow :

Mr./Mrs. _____ aged _____ years, Indian Inhabitant/s residing at _____
_____ hereinafter called as "Borrower" (which expression shall unless repugnant to the context or meaning thereof include his/her/their respective heirs, executors, administrators and assigns)

II. In case the Borrower/s is / are carrying on business in the name of proprietary concern then state in the blank clause (No. 1) as follows :

Mr. / Mrs. _____ carrying on the business as Sole Proprietor in the firm name and style of _____
at _____ hereinafter called the Borrower/s (which expression shall unless repugnant to the context or meaning thereof include his / her / their heirs, executors, administrators and assigns).

III. In case the Borrower/s is a Partnership Firm, then state in the blank clause (No.1) as follows :

(1) Mr. / Mrs. _____
(2) Mr. / Mrs. _____
(3) Mr. / Mrs. _____

carrying on business in the firm name and style of M/s. _____
hereinafter called the "Borrower/s" (which expression shall include their respective heirs, executors, administrators and assigns and the partner or partners for the time being of the said firm).

IV. In case the Borrower is Public Ltd. or Pvt. Ltd. Company then state in the blank clause (No. 1) as follows :

_____ Ltd. a Public / Private Limited Company incorporated under the Companies Act, 1956 and having its Registered Office at _____ through its Authorised Director/s (i) Mr. / Mrs. _____
(ii) Mr. / Mrs. _____ vide the resolution dated _____ hereinafter referred to as the "Borrower" (which expression shall include its successors, executors, administrators and assigns wherever the context shall so permit).

V. In case the Borrower is a Public Trust then state in the blank clause (No. 1) as follows :

_____ Trust, Public Trust registered under The Bombay Public Trust Act 1950 under Registration No. _____ dated _____ through its authorised Trustees / Office Bearers (i) Mr./Mrs. _____ (ii) Mr./Mrs. _____ duly authorised by resolution dated _____ hereinafter referred to as the "Borrower" (which expression shall include its successors / administrators / permitted assigns / trustees in person and their legal heirs and representatives.)

FOOTNOTE NO. 2

- A) In case Borrower is carrying on business in the name of Proprietary concern or in his individual name then state in the blank space (No. 2) as follows :**

SIGNED AND DELIVERED BY

Mr. / Mrs. _____

Proprietor of M/s. : _____

the Borrower within named.

- B) In case Borrower is a Partnership firm, then state in the blank space (No. 2) as follows :**

SIGNED AND DELIVERED BY

(1) Mr. / Mrs. _____

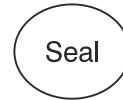
(2) Mr. / Mrs. _____

(3) Mr. / Mrs. _____

All partners of M/s. _____, the Borrower within named.

- C) In case Borrower is a Public Ltd. or Pvt. Ltd. Company then state in the Foot Note No. 2 the following with suitable modifications :**

The Common Seal of the Borrower
withinnamed was affixed hereunto in
the presence of Shri _____,
and Shri _____
the Director/s of the Borrower, the pursuance
of the Resolution passed in the Board
Meeting held on _____ and the Director/s
has / have signed below the Seal to show that the
Seal was affixed in his / their presence.



Sign of the Director/s

- D) In case Borrower is a Trust then state in the Foot Note No. 2 following :**

Signed and Delivered by

1) Mr. / Mrs. _____

2) Mr. / Mrs. _____

Trustees / Office bearers of the Trust
in pursuance of the Board of Trustees
/ Managing Committee Resolution
dated _____ and the Trustees have
signed below the Seal to show that
the Seal was affixed in their presence.

NOTE : FOR BANK'S USE (Please note that following formats separately printed are available)

1. Illiterate Borrower:

In case of Illiterate Borrower, left hand thumb for male and right hand thumb impression for female should be obtained on the documents in the presence of Bank Official. The following wordings should appear below the thumb impression.

“Left / Right hand thumb impression of

Shri / Smt. _____

The thumb impression **SHALL NOT BE VERIFIED ON ANY OF THE DOCUMENTS.** It may be verified on a separate paper along with a photograph of the Executants and be kept with the documents AND said paper should contain the following words.

Left / Right hand thumb impression of

Shri / Smt. _____

obtained on following Documents

- 1.
- 2.
- 3.
- 4.

and contents of the above Documents have been explained to him / her by me.

Signature of the Official
alongwith the Sign. Code No.

Signature of Surety (any)
(Literate)

Date : _____

2. In case of Borrowers / Surety signing in vernacular language (signing in other than English) the following declaration should be taken on separate paper from concerned Borrower / Surety.

Signature of Shri / Smt.

obtained on following documents.

- 1.
- 2.
- 3.
- 4.

and contents of the above
documents have been explained
to him/her by me in vernacular.

Name & Signature of
the official with
Sign code No.

Signature (Vernacular)

Signature of Surety
(Literate)

Date : _____