# ***Kisan* Credit Agreement**

This ***Kisan* Credit** Agreement is made on **……………… at …………………… between** the **Borrower** and the **Bank** for a ***Kisan* Credit**of **Rs……………… Lakhs** (**Rupees** ………… lacs) enhanced from its previous limit of Rs………………… lacs.

**1.** Definitions.**–** In this agreement unless there is anything repugnant in the subject or context:-

(1) **“Bank”** means **The Jammu and Kashmir Bank Ltd**., a banking company incorporated under the *then* J & K Companies Act, No. XI of, 1977 (**1920 AD**), having its registered office at Corporate Headquarters, M. A. Road, Srinagar, Kashmir, through its business unit **……………….,** such other business unit where the Borrower may have any several or joint account or where the Borrower’s *Kisan* Credit account may be transferred, and also, when the subject or the context so admits, its officers, agents, successors and assigns.

(2) **“Borrower”** means **………………. son of …………….. resident of …………,** and where the subject or the context so admits includes his transferees, heirs and other legal representatives.

(3) **“Debt”** includes every component of the Borrower’s indebtedness towards the Bank.

(4) **“*Kisan* Credit”** **means a loan** **facility** of **Rs…….. Lakhs** (**Rupees ……. lacs)** allowed/ to be allowed by the Bank to the Borrower as mentioned in article 2 hereof, and includes any part or portion thereof.

(5) **“*Kisan* Credit Card”** means a Smart Card/ Debit Card that will be issued by the Bank to the Borrower in respect of the *Kisan* Credit which can be used at the ATM’s and other swipe machines for convenient utilization of the *Kisan* Credit after the necessary technological infrastructure is in place.

(6) **“Hypothecated Goods”** means and includes:-

*a*, all kinds of **fruits/fruit crops and** cash crops grown by the Borrower with the help of the *Kisan* Credit, whether such fruits, and cash crops are in any stage of their cultivation, or are in a post-harvest stage in the orchard/ field, barnyard, godown, cold store, or in transit;

b, spraying machines, tiller/ tractor, other agricultural implements and farm equipment purchased by the Borrower with the help of the *Kisan* Credit;

c, pesticides, fungicides, fertilizers, etc. purchased with the help of the *Kisan* Credit and useable in connection with the Borrower’s activities mentioned at sub-clauses (a) and (b) above; &

d, cardboard/ wooden boxes and other packing material purchased with the help of the *Kisan* Credit and useable by the Borrower for packing his produce.

(7) **“Indebtedness”** means the sum total of all the liabilities/ obligations of the Borrower towards the Bank at any given point in time on account of the outstanding *Kisan* Credit Facility and the interest thereon including additional or penal interest, interest tax, service tax, charges, Expenses, costs, etc., if any, chargeable/ charged against Borrower or debited to the Borrower’s *Kisan* Credit account with the Bank, and includes Indebtedness of the Borrower in any other account with the Bank.

(8) **“Interest”** means the interest payable to the Bank by the Borrower in respect of the *Kisan* Credit Facility in accordance with Article 3 hereof.

(9) **“Prescribed”** means prescribed by the Bank in the Sanction Letter or otherwise.

(10) **“Purpose”** means the purpose of providing adequate and timely credit support to the Borrower for his agricultural, horticultural, farming and other allied activities including a reasonable component for his consumption needs.

(11) **“Sanction Letter”** means **……………………. dated: …………………………..,**

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whereby the *Kisan* Credit Facility is sanctioned to the Borrower, and includes any modification, renewal and copy thereof.

(12) Mortgage Property Means: **………………………………., “hereinafter called as Mortgage property”.**

**2.** Loan & its Nature:

2.1. The Borrower hereby agrees to avail from the Bank, and the Bank hereby agrees to provide to the Borrower, the *Kisan* Credit on the terms and conditions as hereinafter appearing. The *Kisan* Credit shall be a composite financial facility consisting of both a short term revolving credit limit for working capital needs as well as long term credit for investment credit requirements.

2.2. The ***Kisan* Credit** shall be provided by the Bank to the Borrower for the prescribed period including the period of renewal, if any, from time to time. Subject to any changes that may be brought about by the Bank in future, the ***Kisan* Credit** shall be at present available to the Borrower initially for a period **of ……………. years** subject to annual renewal after review. The limit of the short term credit that shall be available during the first year of the ***Kisan* Credit** shall have yearly incremental increased of the prescribed percentage such that the maximum limit of the same shall be available during the fifth year only. The account/s shall not be deemed closed by the zero or credit balance as long as the facility is available to the Borrower.

2.3. In case of a mid-term enhancement due to some change in cropping pattern or the production, and/ or in the scale of finance, the increased ***Kisan* Credit** shall be made available to the Borrower after he has extended the charge on the Hypothecated Goods for the amount by which the existing ***Kisan* Credit** is increased for the remaining period of time in the then current spell of five years.

2.4. In case of renewal after the first five years, for another five, the short term credit facility shall be similarly available in varied annual slabs which too shall be governed by this agreement, provided that the Borrower extends the charge on the Hypothecated Goods for the amount by which the amount of the *Kisan* Credit shall be enhanced for the renewal term of five years.

3. Disbursement:

3.1. The short term component of the *Kisan* Credit shall be allowed as a revolving cash credit facility to the extent of the ceiling permissible to the Borrower for each year of the five year term of the *Kisan* Credit. For every following year there shall be an automatic increase by the prescribed percentage in the ceiling permissible for that year and the consequent increase in the drawing power of the Borrower.

3.2. The long term component of the *Kisan* Credit shall be disbursed after obtaining the prescribed amount of margin for purchasing various items and the disbursement shall be as far as possible be made by issuing demand drafts or pay orders directly in favour of the registered suppliers/ authorized dealers.

3.3. For the time being the *Kisan* Credit can be availed of by the Borrower using cheques and other withdrawal/ debit forms only. After the technological infrastructure is put in place the Borrower can at his convenience avail of the *Kisan* Credit using the *Kisan* Credit Card through different delivery channels.

3.4. In respect of the long term credit component the Bank may allow the instalments paid

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by the Borrower to be withdrawn against considering the nature of the proposed investment and the repayment schedule drawn up in line with the economic life of the proposed investment – provided that the total liability at any point in time should not exceed the drawing limit permissible for the year concerned.

3.5. The Borrower shall utilize the ***Kisan* Credit** strictly for the Purpose and shall not divert the same to any other use. The Bank shall be entitled to prevent/ stop a withdrawal whose purported use in the opinion of the Bank falls outside the ambit of the Purpose.

**4.** Interest:

4.1. The Borrower shall pay interest on the various components of the *Kisan* Credit at the respective rates prescribed for each component. The said interest shall be charged by the Bank with monthly rests or at such other rests as may be prescribed by the Bank from time to time. The interest shall be calculated for each month for actual number of days in that month. The interest on every disbursed/ withdrawn amount shall start accruing form the date of disbursement/ withdrawal of the same. The interest as aforesaid shall also be payable by the Borrower on every other amount that may be debited by the Bank to the *Kisan* Credit account/s of the Borrower. And any amount mentioned in this Article remaining unpaid shall bear same interest as the ***Kisan* Credit.**

4.2. The Borrower shall be entitled to the benefit of interest subvention on such portion of the *Kisan* Credit and for such period as may be prescribed, after the amount of interest subvention has been received by the Bank from the government or any other agency or instrumentality of the government. Nevertheless, the Borrower shall have not inherent right to claim or receive any interest subvention which is exclusively in the sole discretion of the government which may implement or withdraw an interest subvention scheme from time to time. In case of interest subvention the Borrower shall be liable to pay interest at a lower rate, and in the absence of any interest subvention the applicable rate shall be comparatively higher and the Borrower shall be liable to pay interest at that rate from his own sources.

**5.** Amortisation:

5.1. The Borrower shall route all his transactions and receive all receivables/payments related to his farming activities through his *Kisan* Credit account.

5.2. As for the short term credit component of the *Kisan* Credit, the Borrower shall:

*i*, reduce the balance outstanding in his *Kisan* Credit account such that no withdrawal remains outstanding for more than twelve months;

*ii*, bring his *Kisan* Credit account to zero or credit balance at the end of the period for which the *Kisan* Credit was sanctioned or renewed in his favour, provided that any credit balance in the ***Kisan* Credit** account at and for any time shall earn interest at such rate as may be prescribed by the Bank from time to time; and

*iii*, on demand by the Bank repay the *Kisan* Credit and discharge his Indebtedness in full.

5.3. As for the long term credit component of the *Kisan* Credit, the Borrower shall pay the monthly installments of the prescribed amount with interest without fail or maintain sufficient balance on the short term credit side of the *Kisan* Credit thereby enabling the Bank to recover the installment due there from.

*ii*, bring his *Kisan* Credit account to zero or credit balance at the end of the period for which the *Kisan* Credit was sanctioned or renewed in his favour; and

*iii*, on demand by the Bank repay the *Kisan* Credit and discharge his Indebtedness in full.

5.4 Any other amount debited to the *Kisan* Credit account/s of the Borrower shall be payable by the Borrower and recoverable by the Lender as and when the same is debited by the

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Lender to the Borrower’s *Kisan* Credit account.

5.5. All the payments shall be made by the Borrower at the Bank’s said branch/ business unit where the *Kisan* Credit account/s of the Borrower is maintained, or at such other place as may be permitted by the Bank. If the due date for any payment by the Borrower happens to be Sunday or a Bank Holiday at the place of payment, the immediately preceding working day shall be deemed to be the due date.

**6.** Event Of Default & Its Consequences:

6.1. Any of the following events shall, and shall be deemed to, be an “event of default”:-

*i*, the Borrower fails to serve interest in the ***Kisan* Credit account**, or

*ii*, the liability of the Borrower in the *Kisan* Credit account exceeds his drawing power as prescribed, or

*iii*, the Borrower fails or neglects to route his transactions and/ or receive his receivables through his *Kisan* Credit account, or

*iv*, the Borrower fails/ neglects to pay any installments or fails/ neglects to pay the installments in time, or

*v*,fails/ neglects to bring his *Kisan* Credit account to zero balance at the end of the period for which the ***Kisan* Credit** is sanctioned or renewed, or

*vi*, the Borrower commits breach of any of the terms and conditions contained in this agreement or any other document governing the *Kisan* Credit, or

*vii*, any circumstances arise which materially and adversely affect the farming and allied activities of the Borrower and his financial condition, and that gives the Lender reason to believe that the Borrower may not, or will be unable to, perform or comply with his obligations under this Agreement, or

*viii*, any representation or statement made by the Borrower to the Bank in this agreement or in any other document/ statement or otherwise is or turns out to be incorrect and misleading when the same was made.

6.2. If an Event of Default occurs and is continuing, the Bank may:-

*i*, issue to the Borrower a notice declaring the *Kisan* Credit and the accrued interest thereon to be due whereupon the same shall become payable forthwith by the Borrower: the decision of the Bank regarding the occurrence of an event of default and its continuance to be final; and/ or

*ii*, (without prejudice to its statutory right of general lien or other similar right as a banker) combine or consolidate, without any notice to the Borrower, all or any of his accounts with, and liabilities to, the Bank and may set-off against or transfer/ appropriate/ apply any credit balances of these accounts (in whatever currency and however evidenced) to the payment of any of the liabilities of the Borrower towards the Bank in any respect, whether such liabilities be actual, contingent, several or joint, and pending any such action, to the extent necessary, may hold such amounts as collateral to secure such obligations and liabilities of the Borrower and may return as unpaid for insufficient funds any and all cheques and other items drawn against any such credits/ deposits so held as the Bank in its sole discretion may elect.

6.3. The Borrower shall be also liable to pay over and above the prescribed normal rate of interest penal or additional interest on the amount remaining unpaid for the period of default, at such rate as is prescribed.

6.4. The rights and powers mentioned in this Article are in addition to, and not in derogation of, any other rights of the Bank under this agreement or any other document or provision of law

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for the time being in force, and nothing herein contained shall be deemed to negate, qualify or otherwise prejudice the Bank’s right to recover its dues from the Borrower or his sureties and/ or to enforce any securities held by it.

**7.** Hypothecation:-

7.1. For the consideration aforesaid, the Borrower hereby hypothecates by way of first charge the Hypothecated Goods to the Bank as security for due repayment of the *Kisan* Credit/ Debt. The security of hypothecation hereby created shall be a continuing security to remain in force until the Borrower finally adjusts the account/s and is discharged in full from his liability and shall not be deemed to have extinguished by reason of the *Kisan* Credit account of Borrower having been brought to zero or credit balance from time to time during the currency of the *Kisan* Credit. The Borrower agrees to hold the Hypothecated Goods and the sale proceeds thereof in trust for and as agent of the Bank.

7.2. The Borrower undertakes to provide to the Bank copy the invoice/ *challan* at the time of dispatching the Hypothecated Fruit and to deposit later the acknowledgement to be received by him from the consignee/ *Aarthy*. In case the Hypothecated Fruit is kept in a cold storage, information/ proof to that effect shall also be furnished by the Borrower to the Bank. The Borrower further undertakes to keep his consignee/ *Aarthy* clearly informed and apprised of the hypothecation of the Hypothecated Fruit to the Bank and agrees that the payments to be due to the Borrower from his consignee/ *Aarthy* on account of the sale of the Hypothecated Fruit shall be deemed to be assigned in favour of the Bank as security for the *Kisan* Credit and it shall be lawful for the Bank directly to demand, collect, receive and give effectual and valid discharge for the same.

7.3. In case a Hypothecated Good is a motor vehicle requiring registration under the Motor Vehicles Act, the Borrower shall have the fact of hypothecation of the same recorded in the Registration Certificate and shall provide a copy of the same to the Bank. A copy of the Sale Letter issued by the dealer and the copy of the Registration Certificate of such Hypothecated Good shall be deemed to be a part and parcel of this Agreement, particularly for the purposes of identification of the Hypothecated Good with reference to the specific numbers of its chassis, engine and registration.

7.4. If at any time the Lender is of the opinion that the securities provided by the Borrower has become inadequate to cover sufficiently the Indebtedness of the Borrower, then on Lender advising the Borrower to that effect the Borrower shall provide and furnish such additional security as may be acceptable to the Lender to cover such deficiency.

**7.5.** The Borrower further agrees that the Hypothecated Goods shall be held by him during the currency of the *Kisan* Credit and if at any time the Bank for any reason whatsoever asks for possession of any of the Hypothecated Goods, the Borrower shall deliver, or cause to be delivered, forthwith such of the Hypothecated Goods peacefully and without any resistance, obstruction, protest, demur or objection; the failure or neglect to do so shall render the Borrower liable for action under law for the time being in force relating to the breach of trust – both civil and criminal.

**8.** Insurance:

8.1. The Borrower shall be liable to take at his/ her cost and expense comprehensive and full insurance cover for the Hypothecated Goods with the usual bank-clause in favour of the Lender; and the Lender shall be entitled, without obligation, to do so for and on behalf of the Borrower. The Lender shall also be competent to debit the Borrower’s Kisan Loan account/s with the proportionate premium for personal insurance that may be available for the person

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and/ or the family of the Borrower.

**9.** Enforcement of Security.

9.1. In the event of default by the Borrower in repayment of the Debt or committing breach of

any of the terms and conditions of this agreement or any other document relating to the *Kisan* Credit by whosoever executed, or on the occurrence of an event of default as mentioned in this agreement and such event of default remaining un-remedied for a period of 10 days, the Bank shall be entitled, without any notice to the Borrower but at the Borrower’s risk and expense to enter and remain at any place including but not limited to the orchard/ farm of the Borrower where any of the Hypothecated Goods may be, seize and/ or sell or otherwise dispose of the same in any manner and apply the net proceeds of such sale or disposal towards liquidation of the of the *Kisan* Credit/ Debt and discharge of the Borrower’s Indebtedness. The Bank shall also be entitled to redeem any of the Hypothecated Goods from any Controlled Atmosphere Storage (where the Borrower might have kept them) and sell or otherwise dispose of the same as above.

9.2. The Bank shall have all other incidental and ancillary rights and powers as may be necessary for effective exercise of the rights mentioned in this clause and the decision of the Bank regarding the commission of default by the Borrower shall be final.

**10.** Appropriation:

10.1. All payments received, at whatever time, by the Bank from/ for the Borrower shall be applied by the Bank towards discharge of the liability of the Borrower in such loan account of the Borrower as the Bank in its absolute discretion deems fit, notwithstanding the instruction, if at all any, of the Borrower to the contrary and an overdrawing in the Borrower’s *Kisan* Credit account shall be deemed a separate loan account for this purpose. The Borrower shall have no right whatsoever to instruct or advice appropriation of any amount to any particular account. In the Borrower’s account chosen by the Bank for appropriation of a payment received by it the amount received shall be applied by the Bank towards discharge of the Debts due from the Borrower in that account in order of time whether those are or are not time barred under the law of limitation for the time being in force. And amongst the debts of same standing the expenses, costs, charges, etc. shall be adjusted first, the interest shall be adjusted next and the principal sum shall be adjusted at last.

10.2. If the proceeds of any insurance claim are less than the amount of Indebtedness of the Borrower, the Bank shall be at liberty to apply/adjust any other amount with the Bank standing to the credit of or belonging to the Borrower in liquidating his Indebtedness in the *Kisan* Credit account. In the events of there being no such other amount of the Borrower or of such amount also being insufficient for discharge of the Borrower from his liability in the *Kisan* Credit account, the Borrower shall continue to be liable for repayment of the shortfall and nothing herein contained shall be deemed to negate, qualify or otherwise prejudice the Bank’s right to recover from the Borrower the ***Kisan* Credit** even if all of the Hypothecated Goods may not have been realized or liquidated.

10.3. In the event of there being a surplus available after liquidating the Borrower’s liability in the *Kisan* Credit account, it shall be lawful for the Bank to retain and apply the said surplus together with any other money belonging to the Borrower (for the time being in the hands of the Bank in or under whatever account) in or towards payment of any other sums of money which shall be or may become due and payable by the Borrower, severally or jointly with any other person, to the Bank on account of any loan, discounted bills, letters of credit, guarantees,

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charges or other obligations (current though not then due or payable) or other legal or equitable demands which the Bank may have against the Borrower or which the law of set-off or mutual credit would in any case admit.

**11.** Acquisition/ Requisition:

11.1. On coming to know about the acquisition or requisition by any lawful authority during currency of the *Kisan* Credit of the whole or part of the Borrower’s farm land/ orchard growing any of the Hypothecated Goods the Bank shall be within its rights either to discontinue, or reduce the quantum of, the *Kisan* Credit (as the case may be) and the Borrower shall be liable to repay forthwith the balance outstanding against him in his *Kisan* Credit account/s.

11.2. Any compensation payable to the Borrower for the acquisition or requisition of his said farm land/ orchard, whether in lieu of the land or the fruit/crop thereof, shall be directly recoverable and receivable by the Bank exclusively on behalf of the Borrower; and any amount so received shall, after deducting the expenses there-from, if any, be applied by the Bank towards discharge of the Debt and the appropriation shall be done in accordance with the provisions of Article 10 hereof. In case whole or any portion of such compensation is received by the Borrower or any one else on his behalf or claiming through him, the same shall be paid forthwith to the Bank and until such Payment shall be held in trust for the Bank.

**12.** **Borrower’s** **Representations & Warranties:**

12.1. Besides what has been already disclosed in writing by the Borrower to the Bank, the Borrower hereby represents/ assures/ confirms, and shall be deemed to have represented, assured, and confirmed, to the Bank that:-

*i*, the information provided by the Borrower in the loan application form or otherwise is true and correct and forms a genuine part of the premise on the basis of which the Bank has sanctioned/ granted the *Kisan* Credit;

*ii*, the Borrower is not a defaulter with any bank or financial institution, &

*iii*, the execution of this agreement by the Borrower and the performance of his obligations hereunder are his valid and legal obligations fully enforceable against him.

**13.** Borrower’s Undertakings:

13.1. The Borrower hereby assures and undertakes, and shall be deemed to have assured and undertaken, that during the continuance of the *Kisan* Credit:-

*i*, the Borrower shall deal exclusively with the Bank and any dealing with any other bank or financial institution shall be only with the prior written consent of the Bank;

*ii*, all cheques drawn on the *Kisan* Credit account and/or debit/s raised therein shall exclusively relate to his farming and allied activities (including his consumption needs) for which the *Kisan* Credit has been provided by the Bank;

*iii*, the Borrower shall not charge, pledge, encumber, assign, sell, otherwise transfer his farm land/ orchard to third person/s without informing the Bank beforehand and closing his *Kisan* Credit account/s;

*iv*, the Borrower shall keep the Bank informed in time of the happening of any event likely to have a material adverse effect on his farming and allied activities for which the *Kisan* Credit has been provided by the Bank, as also of the remedial steps taken or proposed to be taken by him;

*v*, the Borrower shall submit to the Bank his financial/ stock and other statements at regular intervals as well as when advised by the Bank in between.

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**14.** Other Terms:

14.1. The Borrower shall keep the Bank comprehensively indemnified, defended, protected and harmless against all losses, damages, costs, expenses or liability (including the attorneys’ fees) arising out of or in connection with the *Kisan* Credit.

14.2. Nothing in this Agreement or any other document between the Bank and the Borrower shall be deemed to negate, qualify or otherwise affect the Bank’s reserved right to alter by way of addition, deletion or modification any of the terms and conditions of the *Kisan* Credit during its currency.

14.3. The provision of this agreement and of all other related documents shall be severable and neither

this agreement nor any other said document shall become invalid by reason only of any provision hereof

or thereof being invalid or un-enforceable. The Sanction Letter shall be deemed to be part of this agreement and everything prescribed shall be deemed to be hereby accepted by the Borrower.

**15.** Waiver:

15.1. A waiver by the Bank shall be in writing. Neither the failure by the Bank on any occasion to insist

upon the performance of the terms, conditions and provisions of this agreement, nor any time or indulgence granted by the Bank to the Borrower, shall act as a waiver of such breach or acceptance of any variation or relinquishment of any such or other right under this agreement which shall continue to remain in full force and effect. If the Bank in its absolute discretion grants an indulgence to the Borrower and condones an event of default that has occurred, then subject to fulfillment of the conditions, if any, prescribed by the Bank for such indulgence and condonation, this agreement shall continue to be applicable as if no such event of default had ever occurred. If the Bank in its absolute

Discretion chooses not to exercise any of its rights or powers against, or grants any relaxation to, the Borrower, the same shall not be deemed a waiver on the part of the Bank of any of its rights or powers. No omission on the part of the Bank to take any action under this agreement shall be deemed to permit the Borrower to continue or repeat the breach or default in respect of which the Bank omits to take action. No exercise by the Bank of one right or remedy shall be deemed an election; and no delay by the Bank shall constitute a waiver, election, or acquiescence by it.

16. Demand/ Recall of the Loan:

16.1 If the Borrower fails to repay the Debt and consequently the Bank classifies the Borrower’s *Kisan* Credit account/s as Non Performing Asset/s in accordance with the extant norms, then the *Kisan* Credit/ Debt shall be deemed to have been demanded by the Bank and shall become repayable by the Borrower forthwith in one lump.

**17.**  Disclosures about the Borrower:

17.1 The Borrower agrees and consents for the disclosure by the Bank of any information and data relating to the Borrower, information and data relating to the *Kisan* Credit or any credit facility and default, if any, committed by the Borrower as the Bank may deem appropriate and necessary, to Credit Information Bureau (India) Limited and any other agency authorized in this behalf by the Reserve Bank of India. The Credit Information Bureau (India) Limited and any other agency so authorized may use and process the said information and

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data disclosed by the Bank in the manner as deemed fit by the them, and may furnish for consideration, the processed information and data or products thereof prepared by them, to banks/ financial institutions and other credit grantors or their registered users as may be specified by the Reserve Bank of India in this behalf.

17.2. The Borrower hereby also agrees that in case the Borrower commits default in repayment of the *Kisan* Credit/ Debt, the Bank and/ or the Reserve Bank of India shall have an unqualified right to disclose or publish the name and photograph of the Borrower as a defaulter in such manner and through such medium as the Bank or the Reserve Bank of India in their absolute discretion may think fit.

17.3 The Borrower hereby also agrees that the Bank may at its sole discretion disclose to any other bank or financial institution such information relating to the credit facilities granted to the Borrower as it deems fit.

**18.**  Processing Fee & Expenses:

18.1. The Borrower shall pay up-front to the Bank a one-time, non-refundable, non-adjustable fee equivalent to such percentage of the *Kisan* Credit as may be prescribed. The legal charges and costs of all documentation in relation to the *Kisan* Credit shall also be borne by the Borrower.

**19.**  Sale of Financial Asset:

19.1. The Bank shall have the right to sell the whole or part of the *Kisan* Credit on one or more occasions to any bank/s or other competent purchaser on the terms not inconsistent with the terms of this agreement. In the event of any such sale the Bank shall intimate the Borrower accordingly in writing

**20. That the Borrower/s hereby agree/s as a pre-condition of the loan given to him/them by your Bank that in case, the said Borrower/s COMMITS DEFAULT in the repayment of the loan or in the repayment of the interest thereon or any other agreed installment of the loan on due date/s, the bank shall be entitled to recover the entire balance outstanding against the borrower/s immediately without serving any prior notice to him/them in the manner as may be deemed fit by the Bank.**

whereupon the provisions of this agreement shall be deemed to have been made between the Borrower and such purchaser.

Signed and delivered by the Borrower and accepted by the Bank.

Witnesses:

1.

**(……………………….)**

**B o r r o w e r**

*Accepted for the* **Bank**:

2.

**Head**, B/u **………………..**.

**AFFIDAVIT**