LOAN AGREEMENT

This Loan Agreement is made and executed today on ………………… at**, K……………………..** , Between **………Son of ………………. R/o ………………., contact address …………………,** “hereinafter called as the BORROWER” (which expression shall be deemed to include his respective heirs, executors, administrators and legal representatives) **of the ONE PART** and the Jammu and Kashmir Bank Limited, a banking company incorporated under the Jammu and Kashmir companies Act, 1977 (SVT) with its Corporate Headquarters at M.A. Road, Srinagar and Business Unit at  **…………………….**, 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 assigns and successors in interest) **of the OTHER PART.**

WHEREAS, the BORROWER intend to purchase of **…………….. along with land measuring …. Marlas underneath and appurtenant thereto falling under khasra No. …….. min of khata No. ……. & Khewat No…….. situated in …………….. Tehsil & District ………………., from its owner namely ……………………. son of ………………….. R/o …………………..** for a total sale price of **Rs. ………………… lacs out of which an amount of Rs. ………………. has already been paid by the BORROWER and rest of the amount of Rs. …………………… lacs is to be paid to the seller at the time of execution** and registration of the Sale Deed to executed between the said owner and the BORROWER as per the Agreement to Sell dated ………………..

WHEREAS, the BORROWER has for meeting the payment of remaining amount of sale consideration as aforesaid approached and requested the Bank for a Term Loan facility and the Bank sanctioned a Term Loan facility of **Rs…………………. Lac** **(Rupees F…………………only)** *plus Met Suraksha of Rs. ……………/-* for aforesaid purpose of purchase of the above described immovable property on the term and conditions applicable to said finances under the rules of the BANK and also the ones appearing hereinafter:-

# NOW THIS AGREEMENT WITNESSETH AS FOLLOWS

1. That BORROWER hereby agrees that immediately after conclusion and registration of the aforesaid Sale Deed between them and the above named seller/owner he will get the afore described immovable property mutated in his own name in the revenue records pursuant to the said sale Deed as owner in possession and further that he will transfer the said property by way of mortgage in favour of the BANK as PRIMARY SECURITY for the aforesaid TERM LOAN facility of **Rs……………. Lac** *plus Met Suraksha of Rs. ………………../-*, the said TERM LOAN amount shall be Primarily SECURED by aforesaid Immovable property and collaterally secured by way of third party Guarantee of two persons.

2. That the BORROWER has in consideration of the aforesaid Term Loan facility availed or to be availed by the BORROWER, *in addition to this loan Agreement*, executed or agreed or arranged to execute all the necessary below mentioned Security Documents in the favour of the Bank to secure the repayment of the said advance facility by the Bank to the BORROWER together with interest and other charges accruing thereon and the cost and expenses incurred/to be incurred by the Bank from time till the adjustment thereof:-

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1. Letter of Undertaking 2. Letter of Authority addressed to Branch Head regarding making of deductions from SB/CC/CD account of within named BORROWER, 3. Letter of Undertaking from the said proposed Seller. 4) Affidavit & 5) Deed of Guarantee.

3. The BORROWER further agrees to execute on the Bank’s demand any fresh or further document/s as advised or prescribed by the bank at any time during the currency of the credit facility.

4. That the BORROWER hereby confirms that the Bank shall have the sole and absolute discretion to allow the BORROWER whole or any part of the said credit facility. It is further agreed that the Bank shall not be bound to grant or allow any additional loan or advance facility above and over the present amount of **Rs……………… Lac,** *plus Met Suraksha of Rs. ………………./-*, EXCEPT at its absolute discretion.

5. That the BORROWER hereby confirms and warrant the correctness of all or/and every particulars and statements contained in the said Loan Application Form and undertake to notify the bank in writing of any change in such particulars or statements, however, occurring immediately on the happening thereof.

6. That the BORROWER have not availed any loan or credit facility from any bank or financial institution nor any proceedings, administrative, legal or otherwise are pending before any court or any other forum having jurisdiction against the BORROWER in respect of any advances availed or any other matter whatsoever.

7. That the BORROWER declares and assures that the aforesaid PROPERTY mortgaged/to be mortgaged to the bank as PRIMARY SECURITY for the said TERM LOAN facility is free from all prior charges and encumbrances and the BORROWER hereby further assure that any further property moveable and immovable to be given as security to the bank for said or any other credit facility and /or any further facility proposed to be granted by the bank to the BORROWER shall also be free from any charge, lien or encumbrances, whatsoever.

8. It is hereby further agreed that the BORROWER shall not sell or exchange or give on lease or otherwise dispose off or create any charge by way of lien, hypothecation, pledge or mortgage or any other encumbrance upon the aforesaid PROPERTY mortgaged/to be mortgaged to the bank as PRIMARY SECURITY for the said TERM LOAN facility. The BORROWER further confirm not to do any act or thing or allow anything to be done with respect to such PROPERTY or part thereof that may affect the same or otherwise prejudice the security held by the bank till such time the BORROWER have not adjusted all his account with the bank:

PROVIDED FURTHER the Bank may however, at the request of the BORROWER permit them to do so subject to such terms and conditions and stipulations as may be imposed by the Bank at the time.

9. The BORROWER shall pay interest 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 from time to time.

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10. That the BORROWER shall pay interest on all the advance(s) availed/ to be availed of by them from the bank at the rates prescribed by the bank for such advance (s) and in case the Government or the RBI withdraws or cancels the scheme under which the advance was allowed and allows the same on concessional rates of interest, the bank in that event, shall be entitled to charge interest at the usual normal rates chargeable on such advance/s from time to time under rules.

11. That the amount of advance shall be disbursed by the Bank either to the BORROWER themselves or to the said owner/proposed seller by way of cheque/s or draft or payment order or the court of law where the sale deed is going to be registered between the said parties or in any other manner to be determined by the Bank.

12. The BORROWER shall at his own cost and expenses insure the aforesaid PROPERTY AS IS OF INSURABLE NATUREimmediately after its purchase from the within named owner and mortgaged or to be mortgaged by the BORROWER/MORTGAGOR or any other person/s on his/their behalf in favour of the Bank as security for the credit facility above mentioned sanctioned 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 name 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 whichever is higher, and deliver the insurance policies/cover notes, premium receipts, etc to the bank. In the event of the BORROWER’ failure to do the same the bank may at its sole discretion arrange to insure the said PROPERTY charged/to be charged to the bank by way of mortgage against the risk as aforesaid in the joint name of the parties concerned and debit the premium and other charges incurred for this purpose to the BORROWER ‘account. The bank shall be entitled to call upon the BORROWER to insure said property against other risk and in case of the BORROWER’ failure to do so, the bank may at its sole discretion as arrange to insure the same against the risks and debit the costs and expenses of such insurance to the BORROWER’ account without any further notices. The BORROWER expressly agree that the bank shall be entitled to adjust towards the liquidation of the balance outstanding in the account or accounts aforesaid 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 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 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.

13. That the BORROWER shall during the currency of the credit facility at his own costs and expenses keep the said PROPERTY mortgaged/to be mortgaged to the bank as PRIMARY SECURITY for the said facility in good and proper condition and regularly pay all the present and future rent, rates, taxes and cesses etc. in respect thereof immediately when they became due; and shall also pay all the electricity, municipal and other charges related to and connected therewith. In case the said PROPERTY or any part thereof is repaired or restored to its original condition, to pay on demand any such charge, municipal or electric or any other charges related to and connected therewith. In case the BORROWER fail to do so, the bank shall be authorized,

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but not bound, to have the said PROPERTY or any part thereof repaired or restored to its original condition and to pay on demand any such charges, municipal or electric or any other rents, taxes or cesses etc. All such moneys, premia, costs of repairs paid, and the payments of the electric, municipal and other taxes and charges made by the bank shall be deemed to be an advance by the Bank to the BORROWER and to be a charge upon the said PROPERTY along with the principal moneys, interests and other charges as if they Ire a part thereof.

14. That the BORROWER shall *use the credit facility exclusively for the purposes* contained in the Loan Application Form.

15. The BORROWER *shall carry on its entire banking Business and exclusively deal with the Bank* and shall not during the currency of the said credit facility and during the indebtedness of the BORROWER to the bank in the said account or any other account deal with any other bank EXCEPT THE EXPRESS PERMISSION of the Bank It is further agreed that the BORROWER shall not avail any credit facility or loan facility from any other bank or financial institution except with the permission of the Bank.

16. That the BORROWER shall not during the currency of the said credit facility dispose of the said Home Property in any manner whatsoever except with the Bank’s PRIOR WRITTEN permission.

17. That the Bank shall have a general lien and the right of set off against all or any balance/s due to the Bank in respect of all or any account/s of the BORROWER, upon or over all or any security/ies for the time being held by the Bank or which may come in possession of the Bank and all or any such security/ies amount/s or credit balance/s, in whatever from 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 lien and/or the right of set off for any balance/s due/to be due to the Bank in any account of the BORROWER on any security and/or account for the time being held/to be held any time in future. Furthermore, the Bank shall be fully empowered to combine and consolidate all accounts of the BORROWER with liabilities in present or any future loan of the BORROWER, without serving any prior notice upon the BORROWER, for setting off any/all balances therein towards adjustment of such loan account/s lying with the Bank.

18. That the BORROWER hereby agrees, confirms and undertakes that he will indemnify and keep the Bank indemnified at all times against all or any actions, suits, claims, proceedings and demands whatsoever that may be made at any time hereafter by any person whosoever on his behalf or on behalf of any other person claiming under him.

19. That the BORROWER confirms and declares that the Bank shall be authorized to appropriate all or any payments made by the BORROWER or received by the bank for or on account of or in the name of the BORROWER or received by the bank for or on account of or in the name of the BORROWER in the manner decided by the bank *notwithstanding anything contrary contained in the Contract Act or any other law for the time being in force* or the agreement or any other documents/s executed by and between the BORROWER and the Bank whether or not the recovery thereof had become due or time barred under any law of limitation for the time being in force.

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20. The BORROWER hereby agrees, undertakes and confirms to repay the amount of advance with interest thereon at the stipulated rates mentioned hereinabove and the BORROWER further agrees to:

a) repay the said Term loan in Equal \_\_\_\_\_\_Monthly Installments of **Rs:\_\_\_\_\_\_\_\_\_\_**.

b) Confirms that in case there is a default in the payment of any one installment on the due date as per agreement above, the agreement for payment of the amount of advance with interest and other charges shall ipso facto stand terminated at the discretion of the Bank and the Bank shall be at liberty to demand the payment of the whole amount in lump and the BORROWER shall be bound and liable to make the payment of the whole amount due and owing by it to the bank immediately ON DEMAND WITHOUT PROTEDT OR DEMUR.

21. That the BORROWER hereby confirms and agrees that the securities created/to be created under the documents executed/to be executed by and between the BORROWER BEFORE AND AFTER SALE DEED and the Bank in respect of the credit facility and the undertaking herein contained shall operate as *continuing security* for all the moneys due and owing by the BORROWER towards the bank and for the ultimate and aggregate balance/s remaining due against the BORROWER with interest, costs and other charges in respect of said credit facility.

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

23. The BORROWER hereby confirms and agrees that the Bank shall be within its rights to changes, amend or alter any of the terms and conditions of sanction bearing upon above mentioned Term Loan facility or any other documents and the BORROWER shall have no right to raise any dispute whatsoever with respect to such change, alteration or amendment.

24. It is further agreed that the BORROWER shall be bound hereby towards the BANK in the aforesaid TERM LOAN account irrespective of insolvency of otherwise.

25. 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 him if sent by registered post on the last known address of the BORROWER or any one among him if he may be residing separately any time has been delivered personally or left at the last recorded address with the bank. However, a reasonable period which shall not in any case exceeds seven days for the service of the notice shall be allowed in this case the same is sent by the registered post.

26. That the BORROWER hereby agree and confirms that the Bank shall always be at liberty to assign the debit hereunder remaining due or the benefit of these presents and of all the other documents executed by the BORROWER in favor of the Bank and the mortgaged/to be mortgaged property pertaining to the amount/s covered by this agreement to any other financial institution/s or Bank(s) or both and the BORROWER do hereby bound Himself to execute and join in executing and doing such acts, deeds and do all such other things as may be necessary for the purposes or as the bank or such other financial institution or Bank may require or prescribe for the effectuation of such assignments.

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27. That the BORROWER understands that as a per-condition relating to the grant of loans/advances/other facilities to the BORROWER including the above mentioned Term Loan facility to the tune of **Rs:……………. Lac,** *plus Met Suraksha of Rs. ……………../-,* the bank requires their consent for the disclosure of the information and data relating to the BORROWER, the credit facilities availed/to availed of by the BORROWER, obligations assumed/to be assumed by the BORROWER in relation to said credit facilities and default, if any, committed by the BORROWER, in discharge thereof and the BORROWER, accordingly, hereby agree and give consent for any disclosure by the bank of all or any such (a) information and data relating to the BORROWER, (b) information or data relating to any such credit facilities availed of /to be availed of by the BORROWER; and (c) default, if any committed by the BORROWER in discharge of his such obligation, as the bank may deem appropriate and necessary to disclose and furnish to the credit information Bureau (India) LTD (CIBIL) and other agency authorized in this behalf, and the BORROWER declares that the information and data finished by the BORROWER to the bank are true and correct.

29. That the BORROWER further understands that (a) the CIBIL and any other agency so authorized may use and process the said information and data to be disclosed by the bank in the manner as deemed it and proper by them and (b) the CIBIL and my other agency so authorized may furnish for consideration the processed information and data or products thereof prepared by them to Other bank/financial institution and other credit grantors or registered users, as may be specified by RBI in this behalf.

**30. 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 instalment 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.**

In Witness whereof the party/ies hereto has set his hands unto this loan Agreement on the date, month and the year first hereinabove written

WITNESSES:

1.

#### **………………**

#### **Son of …………………….**

#### **R/o ………………….,**

#### **contact address …………………**

(BORROWER)

2.

FOR THE BANK