

## LOAN AGREEMENT

THIS LOAN AGREEMENT is executed on \_\_\_\_\_ at \_\_\_\_\_ between \_\_\_\_\_, hereinafter referred to as the "BORROWER" (which expression shall be deemed to include his/her heirs, executors, administrators, successors. and assigns) **of the one part** and The Jammu & Kashmir Bank Ltd. 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 \_\_\_\_\_, hereinafter referred to as the "BANK" (which expression shall be deemed to include its successors and assigns) **of the other part**.

### WHEREAS:

The Borrower is pensioner.

The Borrower has approached the Bank for grant of a consumption loan to meet his personal needs and requirements;

The Borrower has represented to the Bank that she has not sought or obtained any such loan from any other branch of the Bank and further declares that the particulars furnished to the Bank in the loan application form and other connected papers are true and correct and nothing has been misrepresented, suppressed or concealed therein;

The Bank has acceded to the request of the Borrower and has sanctioned a consumption loan of **Rs. \_\_\_\_\_ only UNDER JK-BANK SAHOLIAT SARAL FINANCE J&K STATE** in favour of the Borrower on the terms and conditions hereinafter appearing:

### NOW THIS LOAN AGREEMENT WITNESSETH AS UNDER:

1. That the said loan amount of \_\_\_\_\_, **only** shall be disbursed by the Bank in favour of the Borrower by crediting the same to her Saving Bank Account maintained with the Bank or in other manner as may be deemed proper by the Bank.
2. In consideration of the afore said loan, the Borrower has executed a Demand Promissory Note for \_\_\_\_\_ **only** in favour of the Bank as security for the due repayment of the said loan of **Rs. \_\_\_\_\_ only**, with agreed interest and for the ultimate balance remaining unpaid in the consumption loan account and the Borrower shall remain liable on the Pronote notwithstanding the fact that by the payments made into the consumption loan account from time to time reduced or extinguished.
3. (a) The Borrower agrees to pay Interest at the rate of \_\_\_\_\_ (fixed) per annum with monthly rests and/or such other rate as may be prescribed by the Bank from time to time along with all other charges, costs, expenses etc.  
(b) That in case of default in the payment of any of the installment/s of the loan or the Interest on its due date, the Borrower agrees to pay Interest \_\_\_\_\_ per annum over and above the agreed rate of Interest on the defaulted amount from the date of default.
4. (a) The Borrower agrees that the amount of loan together with Interest shall be repaid by him/her regularly in 60 equated monthly installments of \_\_\_\_\_ comprising of principal and interest. First such installment shall be payable one month after the date of disbursement of loan and the subsequent installments on or before the same date of each succeeding month thereafter.  
(b) Notwithstanding the repayment of the loan along with interest and other charges etc., in installments as stipulated hereinbefore, the Borrower agrees that she shall remain liable to pay any ultimate balance outstanding along with the last installment.
5. The Borrower agrees that in case loan is pre-paid, she will bear and pay the prepayment charges at \_\_\_\_\_% of the outstanding under the loan which is pre-paid.

6. That the Bank may at its sole discretion on the request of the Borrower, after repayment of \_\_\_\_\_ % of the basic loan plus Interest thereon allow the Borrower to avail afresh the repaid portion of the loan which in no case shall exceed Rs. \_\_\_\_\_/- at any point of time and the Borrower shall be bound to repay the entire outstanding along with Interest and other charges as per the repayment schedule stated in Clause 7 hereof.

7. The period of repayment shall be extendable by a further period of \_\_\_\_\_ months in case the Bank considers the request of the Borrower for further loan after repayment of \_\_\_\_\_% of the basic loan plus Interest thereon as stated in Clause 6 above.

8. (i) The Borrower hereby agrees that the Bank shall be authorized and empowered to deduct the monthly installment from the **Account No. SB/Pension \_\_\_\_\_** and/or from any other account of the Borrower maintained with the branch and appropriate the same towards repayment of the said loan. Authority given to the Bank shall be irrevocable until the full, final and complete adjustment of the loan account by the Borrower.

\*(ii) That in the event of the Borrower's transfer the Bank shall be authorized to approach the Drawing & Disbursing Officer of the Borrower/Employer of the Borrower in case the salary of the Borrower for any reason whatsoever is not credited to the said Savings account of the Borrower for deduction of the monthly installment at source and remittance thereof to the Bank towards the repayment of the said loan.

\*(iii). That in case the Borrower ceases to be an employee and any portion of loan or interest thereon is still outstanding against him/her, the Bank shall be entitled to recover the said balance outstanding from the terminal benefits payable to the borrower on cessation of his/her employment. The Borrower hereby agrees that for the purpose of this clause he/she shall be deemed to have assigned his/her terminal benefits in favour of the Bank and her employer shall stand fully discharged of her liability towards the Borrower on such payment to the Bank under this agreement.

\*(iv) The Borrower has deposited post-dated cheques to facilitate the due repayment of installments in the above loan account as per the schedule I to this Agreement.

\*(v) The Borrower has shown her willingness to make the payment of regular equated monthly installment in his/her loan account as referred to above, through participation in Electronic Clearing Service (ECS) of National Clearing Cell of Reserve Bank of India. The Borrower authorizes the Bank to raise the debits against the equated monthly installments of the loan as referred to above in his/her SB/pension Account **No. \_\_\_\_\_ Bank** through ECS for adjusting against credit in her loan account. The Borrower agrees that in the event of the Bank not realizing payment from ECS for any reason whatsoever, that he/she will pay the amount of EMI to the Bank by cash or cheque without prejudice to pay Interest for the delayed payment.

The Borrower has given the necessary mandate and undertakes to comply with the procedural requirements for participation in ECS and also bear any service charges/fees as prescribed by the Bank/The Reserve Bank of India from time to time.

To facilitate collection of installment in the event of non-receipt of payment of EMI by ECS, the Borrower has provided the Bank with number of undated cheques for the amount of EMI each. The Borrower authorizes the Bank to fill up the dates as and when required, and without being bound, collect the payment of such cheques to meet the EMI defaults.

9. That Borrower hereby agrees and covenants that the Bank shall have a general Lien on all securities / deposits/ receivables / payments belonging to the Borrower and shall be authorized to exercise right of setoff and combine all accounts of the Borrower and the money now or hereafter standing to the credit of the Borrower in any account without notice to him/her and adjust and appropriate the same in the loan account of the Borrower.

10. The Borrower hereby undertakes to abide by all the terms and conditions that may be prescribed by the Bank from time to time concerning consumption Loan Scheme and the covenants contained in this agreement shall be deemed to be modified accordingly.

11 Notwithstanding anything contained herein the Borrower shall, however, on demand forthwith pay to the Bank the balance due and owing to the Bank in the aforesaid consumption loan account of the Borrower together with interest and other charges and expenses thereon due without any demur or protest.

12. That the borrower agrees to accept the statement of account made out from the books of the Bank and signed by The Branch Head or any other officer/s of the Bank and/or computerized statements as conclusive proof of the correctness of any amount/sum claimed to be due from the Borrower to the Bank under this agreement without the production of any voucher, document or paper.

13. That the Borrower hereby agrees as a pre-condition of the loan given to her by the Bank that in case the Borrower commits 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 then in that eventuality the Bank or the Reserve Bank of India will have an unqualified right to disclose or publish his/her name as defaulters in such manner and through such medium as the Bank or the Reserve Bank of India in their absolute discretion may think fit.

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

a) The Credit Information Bureau (India) Limited and/or any other agency authorized may use and process the said information and data disclosed by the Bank in the manner as deemed fit by them; 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 Borrower and the Bank have executed this LOAN AGREEMENT at the place and on the day, month and the year first hereinabove written.

Witness:

1. \_\_\_\_\_

S/O. \_\_\_\_\_

R/O. \_\_\_\_\_

\_\_\_\_\_

**(Borrower)**

2. \_\_\_\_\_

S/O. \_\_\_\_\_

R/O. \_\_\_\_\_

For THE BANK

