LOAN AGREEMENT

This LOAN AGREEMENT is executed today on …………….. at **………………..,** between **……………….. Son of ……………….. R/o 7 …………………,** “hereinafter called the BORROWER” (which expression shall be deemed to include his 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) and having its corporate Headquarters at M.A. Road, Srinagar, and a 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 is the owner in possession and otherwise fully seized of an immovable property comprising of a double storied residential house with attic alongwith a piece of land **underneath and appurtenant thereto measuring ……….. kanal falling under Khasra No. ………. min (…………) of khata No. ………….. & Khewat No. …………. situated in Estate …………. tehsil ……………… .,** “hereinafter for brevity called the Immovable Property” and

WHEREAS*,* the BORROWER has approached and requested the Bank for grant of loan under its *SCHEME FOR “GRANT OF LOANS* *AGAINST* *MORTGAGE OF IMMOVEABLE PROPERTY to meet his personal / business requirement:* and

WHEREAS, the Bank conceding to the request of the BORROWER and has **vide sanction letter No. ……………….. dated ………………. sanctioned** a Fresh Term Loan facility of **Rs. ………………. lac (Rupees …………….. lacs …………………….)** only under the Bank’s above mentioned scheme on the terms and conditions applicable to said Scheme

NOW THIS AGREEMENT WITNESSETH AS FOLLOWS:-

1) That the said Term Loan facility sanctioned in favour of the BORROWER shall be secured as under:

PRIMARY SECURITY:- Equitable Mortgage, by Deposit of Title Deeds/papers, of Immovable Property mentioned above standing in the name of the BORROWER.

collateral security: by way of third party guarantee of two persons.

2. That the BORROWER has not availed of any loan or advance facility from any (other branch other Bank) or bank or financial institution whatsoever EXCEPT AS STATED HEREINABOVE 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/loans availed or any other matter whatsoever.

3. That the BORROWER hereby confirms and warrants the correctness of all and every particular and statements contained in the Loan Application Form and undertakes to notify the bank in writing of any change in such particulars or statements, however, occurring immediately on the happening thereof.

4. That the BORROWER does hereby affirm and declare that the Bank shall always have a right to seize and sell by way of private sale and/or public auction account*, without intervention of any*

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*court of law or authority and without serving any prior notice upon the BORROWER,* the whole or any part of the Immovable Property mortgaged/to be mortgaged to the Bank and to apply the net proceeds thereof towards liquidation of balance outstanding in said Term Loan.

5. That the annual minimum income of the BORROWER from all sources is (exceeding) the prescribed limit under the above mentioned scheme and the BORROWER has obtained and produced /will obtain and produce an Income Certificate from a Chartered Accountant or any other person or agency as specified /may be specified and required / prescribed by the Bank under the said Scheme in proof of his annual income in this regard.

6. That the BORROWER will repay the said Term Loan facility of **Rs. …………….. lac** together with interest thereon within a period of ………………… Equal Monthly Installments of **Rs: ………………../-**. Commencing one month after disbursement of the loan. The Borrower hereby further agrees & covenants that the Bank shall be authorized to collect the monthly installments by debiting to the borrower’s account No.\_\_\_\_\_\_\_\_ lying with the bank’ business unit without, however, jeopardizing the Bank’s right of recovery of loan otherwise from the Borrower.

7) That the Bank shall be entitled to recover \_\_\_\_\_\_% of the loan amount plus service tax as processing charges/upfront fees at the time of initial disbursement of whole or part of the loan facility and the loan will be paid to the BORROWER, *not directly but*, only by crediting the same to his Saving Account opened/to opened by him with the Bank.

8. That the BORROWER shall pay a minimum interest on said Term Loan of **@ ……………….** (**Floating Fixed)** per annum with MONTHLY RESTS or such other rate of interest as may be prescribed by the Bank’s from time to time.

9) That BORROWER will get the Immovable Property valued through any approved valuer of the Bank at the BORROWER’s own cost and expenses and produce Valuation Report/Assessment Certificate of valuer in respect of the Immovable Property to the Bank in this regard.

10) That the BORROWER shall produce latest revenue extracts and other related Title Deeds/documents in proof of his clear marketable title over the said Immovable Property for verification of Bank officials.

11) That the BORROWER will execute and/or arrange to execute all the required security documents in favour of the Bank viz.: 1) Undertaking, 2) Affidavit, 3) Letter of Authority 4) Letter of Confirmation of Deposit of Title Deeds/documents of the Immovable Property 5. Loan Agreement & 6)Deed of Guarantee as will be applicable and required under Rules of the Bank &Law of the land for securing said Term Loan facility and get the related documents attested and registered with the Public Notaries/Courts of law if required under law and the BORROWER will bear all expenses on Stamp Duty ,registration fees, conveyancing charges, etc, as applicable ,in this regard out of his own pocket.

12) That the BORROWER further agrees and bind himself hereby to execute at present or in future any other security documents(s) including the Deed of Simple Mortgage in favour of the Bank for securing aforesaid Term Loan facility and get the same duly registered with the competent court of law as and when required by the Bank.

13) That the BORROWER will not object to the Bank’s officials visiting and inspecting the said Immovable Property from time to time which is mortgaged/to be mortgaged by the BORROWER with the Bank as Security for repayment of said Term Loan.

14) That the BORROWER will keep the Immovable Property mortgaged/to be mortgaged to the Bank *which is of insurable natur*e comprehensively insured against all losses or damages by fire, riots,

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civil commotion and such other apprehended and calculated risks in the Joint Name of the Bank and himself with usual bank clauses with some Insurance company of repute. Should he fail to do so, then the Bank shall be at liberty, *though not bound*, to affect such insurance at the expenses of the BORROWER

15) That the BORROWER does hereby further agree and undertake to abide by all the terms and conditions that may be prescribed by the Bank in future in respect Term Loan facilities under above mentioned Scheme and this Agreement shall be deemed to be modified accordingly.

16) That the Bank shall have a right of set off against all moneys and other such securities of the BORROWER which may be in the hands of Bank at present or which may come in the hands of the Bank at any time in future in course of its business of bankers irrespective of whether the same be in the name of BORROWER.

17) That the BORROWER understands that as a pre-condition relating to the grant of loans/advances/other facilities to him, including the above-mentioned Term Loan facility to the tune of **Rs. ……………. lac**  the Bank requires his consent for the disclosure of the information and data relating to him, the credit facility/ies availed/to be availed of by him, obligations assumed/to be assumed by him in relation to said credit facility/ies and default, if any, committed by him, in discharge thereof and the BORROWER , accordingly, HEREBY AGREES AND GIVES CONSENT FOR THE 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 other 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 obligations, as the Bank may deem appropriate and necessary to disclose and furnish to the credit information Bureau (India) Ltd.(CIBIL)and any other agency authorized in this behalf, and the BORROWER declares that the information and data furnished by him to the Bank are true and correct.

18) 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 fit and proper by him and (b) the CIBIL and any 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.

In Witness whereof the BORROWER hereto has set his hands unto this Loan Agreement on the date, month and the year first hereinabove mentioned.

WITNESSES

1.

**……………..**

**Son of Avtar Kishen Kaul**

**R/o …………………..**

(BORROWER)

2. FOR THE BANK