

THIS AGREEMENT made in favour of Vijaya Bank, a body corporate constituted under the Banking Companies (Acquisition & Transfer of Undertakings) Act, 1980 having its Head Office at Bangalore and amongst others a branch at \_\_\_\_\_ (here-in-after called " The Bank ", which expression shall include all its assigns and successors-in-interest) by \_\_\_\_\_ (hereinafter called " the borrower", which expression shall mean and include all his heirs, legal representatives, executors, administrators, assigns, transferees, and successors-in-interest).

WHEREAS at the request of the borrower contained in the borrower's application made to the Bank, the Bank has agreed to advance moneys to the borrower from time to time at its absolute discretion up to a maximum limit of Rs. (Rupees \_\_\_\_\_ only) all such moneys advanced by the Bank to the borrower being hereinafter referred to as " the loan ".

NOW this agreement witnesseth that in consideration of the premises, the borrower agrees as follows:

1. The borrower expressly agrees and undertakes that the loan shall be utilised exclusively for the purpose set forth in the borrower's application made to the Bank and for no other purpose.

2. (a) The borrower shall repay to the Bank or its order in full the principal amount of the loan in instrument in the manner set out in the schedule here below or as modified from time to time by exchange of letters between the borrower and the Bank.

(b) The borrower shall pay interest on the balance outstanding of the loan at any time as reflected in the account of the borrower with the bank wherein the transactions relating to the loan are entered (hereinafter called " the loan account ") at the rate of \_\_\_\_\_ % p.a. or at such other rate as may be fixed by you from lime to time subject, however, to a minimum of \_\_\_\_\_ % per annum and such interest shall be paid at every month / quarter / half year / year ending with the last working day of the calendar month / quarter / half year / year.

(c) In default of payment of anyone instalment of the principal amount and/or interest on the respective due dates, the borrower shall pay on such overdue portion of the principal amount and / or interest, additional interest at \_\_\_\_\_ % p.a. over and above the agreed rate of interest.

(d) The bank may at its discretion; debit the loan account with the outstanding interest and/or additional interest and on such debit, such interest and/or additional interest shall form part of the principal amount due by the borrower under this agreement.

(e) Notwithstanding anything contained herein before, tile borrower(s) named herein agrees that you / the bank shall always be competent to enhance the rate of interest and additional interest payable by me / us / the borrower(s) named herein under this agreement / letter from time to time.

3. The borrower shall pay interest at the rate of \_\_\_\_ percent per annum over the VIJAYA BANK's prime lending rate of interest as may be fixed by the Bank from time to time subject to a minimum of \_\_\_\_\_ percent per annum on daily balances with monthly / quarterly / half yearly / yearly rests, such interest being added to the balance outstanding on the last working day of every calendar (mention month / quarter / half year / year etc., as appropriate) and the said interest, if unpaid, will become part of the amount advanced and bear further interest at the same rate. The borrower agrees that the Bank is entitled to charge a higher rate of interest than the rate stated above as per the Vijaya Bank's Prime lending rate of interest fixed by the Bank from time to time and the Bank's rules and agrees to pay interest at such enhanced rate of interest. The borrower hereby waives notice regarding the change of interest.

4. It shall not be necessary for the bank to issue any notice or make any demand for any payment due by the borrower.

5. The borrower shall not, without the written consent of the Bank first had and obtained, create any and in any manner, charge, lien or any other encumbrance on those properties or assets of the borrower given or to be given as security to the Bank to secure the due repayment of the loan and/or interest and / or additional interest (all such properties and assets being hereinafter referred to as " The Securities ") or create any interest in or over the securities in favour of any other party.

6. It is hereby expressly agreed that the bank shall be at liberty to assign the debt and the benefit of these presents and the securities and the documents executed by the borrower in respect of the securities (hereinafter called" the security document's ") without the consent of the borrower and without notice to the borrower and the borrower shall if and whenever required by the bank to do so, and execute and join in doing and executing all such acts, things, deeds, documents or assurance, as the Bank may require for the effectuation of such assignment.

7. The borrower shall always allow the Bank, or any nominee, servant or agent of the Bank to inspect tile borrower's premises, plant and place of business and the borrower's books of account for ensuring that the borrower has' duly complied with the terms of this agreement.

8. The borrower shall furnish the bank with all such information as the Bank may reasonably require for the Bank's satisfaction as to due compliance with the terms of this agreement and all such periodical reports and information at such times, in such form and containing such particulars as the Bank may call, for the purpose of ascertaining the results of the utilisation\_of the loan.

9. The Bank shall be at liberty from time to time to give payment of any bill or bills of exchange, promissory notes or all other security or securities which may have been discounted for or received in account from the party or parties thereto to be liable there on as the Bank shall in their discretion think fit without in any manner releasing the borrower or affecting the borrower's liability, under this agreement.

10. The securities shall not be considered as satisfied or discharged by intermediate payment of the whole or part of the moneys owing as aforesaid but shall constitute and be a continuing security to the Bank notwithstanding any settlement of account or other matter or thing whatsoever and shall be in addition to and shall not operate so as in any way to prejudice or affect other security if any offered by the borrower or any other security which the Bank may now or at any time hereafter hold for or in respect of the loan or any part thereof.

11. All costs, charges and expenses incurred by the Bank and all other moneys paid by the Bank in respect of the said costs, charges and expenses or otherwise together with interest thereon at the aforesaid rate shall be charged on the securities, provided that the charge hereinbefore created shall be in addition and without prejudice to any and every remedy lien or security which the bank may or but for the said charge would have for the moneys hereby secured or any part thereof.

12. The securities shall not be affected by any failure of the Bank to take any security or by any invalidity of any security taken or by any existing or future agreement by it as to the application of any advances made or to be made to the borrower.

13. All the securities shall be a continuing security for the Bank for all moneys owing to or any office or branch of the bank by the borrower whether singly or jointly with any other person or persons either as principal debtor or as surety and in whatever capacity either under these presents or under any other account whatsoever.

14. The Bank shall at all times be at liberty and shall have the option to sue the borrower for interest only or to enforce only a part of the securities or on the basis of the promissory note(s), if any, executed by the borrower independently of and without prejudice to the bank's rights and remedies under these presents.

15. The borrower/s agree that if the Bank apprehends or it has reason to believe that the borrower has used the loan amount for purposes other than for which the loan is sanctioned, or that the performance of the borrowing unit is not satisfactory, or for any such other reasons considered necessary, the Bank will have a right at its absolute discretion, to recall the entire loan amount or any part thereof at once, notwithstanding anything to the contrary contained in this, or any other document / agreement and without any prejudice to the Bank's right to legal recourse as per security documents.

16. Notwithstanding anything contained herein or in any other documents executed by the borrower with or in favour of the Bank, the Bank shall at any time in its absolute discretion have the right to stop advancing moneys to the borrower (notwithstanding that the Bank has advanced to the borrower only a part/parts of the amounts out of the maximum limit of the loan mentioned herein before) and/or to demand payment of all moneys with interest, additional interest and other charges due under this agreement and/or any other documents not named herein and also to enforce the securities upon happening of anyone or more of the following events.

- (a) Any instalments of the principal moneys, whether payments thereof is demanded or not remain unpaid on the due dates.
- (b) Any interest remaining unpaid and in arrears for a period of three months after the same shall have become due whether demanded or not.
- (c) The borrower committing breach of any of the provisions herein contained or default in the performance or the observance of his obligation under these presents and/or security documents or any other terms of conditions relating to the loan.
- (d) The borrower entering into any arrangement or composition with any of his creditors in relation to the payment or discharge of his/its/their liabilities to any such creditor.
- (e) The borrower becoming bankrupt or committing any act of insolvency.
- (f) Any execution, attachment or distraint being enforced or levied against the whole or any part of the borrower's property.
- (g) A receiver being appointed in respect of the whole or any part of the property of the borrower.
- (h) The borrower ceasing or threatening to cease to carry on business;
- (i) the occurrence of any circumstance which is prejudicial to or impairs, imperils, or depreciates or is likely to, prejudice, impair, imperil or depreciate the security given to the bank;
- (j) the occurrences of any event or circumstances which would or is likely to prejudicially or adversely affect in any manner the capacity of the borrower to repay the loan.
- (k) The borrower (if a company) going into liquidation (except for the purpose of amalgamation or reconstruction).
- (l) The borrower, and in the case of a firm, any of the partners of the borrowers being adjudicated insolvent or taking advantage of any law for the relief of insolvent debtors.

On the question whether any of the above event has happened, the decision of the bank shall be conclusive and binding on the borrower.

17. The borrower shall forthwith on acquiring any property or asset other than those offered to other bank as securities, deposit with the bank as security the title deeds and/or other documents relating to such property or assets and in the case of any stocks, share or debenture deposit the certificates, scripts and documents relating to such stocks, shares and debentures.

18. If the borrower shall fail to pay any instalment of principal or interest then notwithstanding anything contained herein or any other document not named herein such instalment of principal or interest shall at the bank's absolute discretion and/or option be recoverable from the borrower forthwith upon such default or shall be added on to any of the subsequent instalment thereof or the last instalment of principal or interest and recovered from the borrower.

19. Nothing herein contained shall affect, diminish, limit, negative or take away the right of the bank to recover personally from the borrower or from the borrower's other properties the balance for the time being due of the loan notwithstanding that all or any of the securities may not have been sold or realised, and nothing herein contained shall prejudice or affect the rights and remedies of the Bank apart from irrespective of this Deed in respect of any other debts,

liabilities or obligations due by the borrower to the Bank.

20. The borrower hereby declares that all the securities are the property of the borrower over which the borrower has full rights of disposal, that they are free from any encumbrance whatsoever that the future goods, properties and assets to be acquired by the borrower out of the loan shall be likewise unencumbered property of the borrower disposable by the borrower, that the borrower, has not done or knowingly suffered or been party or privy to anything which prevents the borrower from hypothecating or otherwise creating charge over the said goods, properties and assets in favour of the Bank.

21. That in this Agreement unless expressly excluded by the context (i) all words in singular shall also mean and include corresponding words in plural and vice versa and (ii) all words in masculine gender shall also mean and include corresponding words in feminine gender, with necessary grammatical changes following in the other connecting and related words and phrases.

22(i) The borrower/s hereby agree and give consent for disclosure by the Vijaya Bank of all or any such

- a) information or data relating to the borrower.
- b) the information or data relating to any credit facility availed of / to be availed by the borrower and
- c) default, if any, committed by the borrower in discharge of its obligation.

as the Bank may deem appropriate and necessary, to disclose and furnish to Credit Information Bureau (India) Ltd. and any other agency authorized in this behalf by RBI.

(ii) The borrower declares that the information and data furnished by the borrower to the Bank are true and correct.

(iii) The borrower, undertakes that

- a) The Credit Information bureau (India) Ltd and any other agency so authorized may use, 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) Ltd. and any other agency so authorized may furnish for consideration the processed information and data or products thereof prepared by them, to banks/financial institutions and other credit grantors and registered users as may be specified by Reserve Bank of India in this behalf.

23. The borrower shall not induct a person, who is director on the board of a company which has been identified as wilful defaulter and in case such a person is found to be on the board of the borrower company, it would take expeditious and effective steps for removal of the person from the Board.

#### SCHEDULE

Sl. No	Due date of instalment	Amount of instalment (Rs)	Sl. No	Due date of instalment	Amount of instalment (Rs)

IN WITNESS WHEREOF, the borrower has signed these presents on this \_\_\_\_ day of \_\_\_\_\_ at \_\_\_\_\_

**BORROWER**

Place:

Date: