

LOAN AGREEMENT

This Agreement of Loan is made and executed on this ____ day of _____, 2020 at _____ (Place) between:

The PACS/FPO Ltd., represented by its Secretary/MD Shri S/o , aged about ____ years, hereinafter called the "**Borrower**", which expression shall, unless it is repugnant to the context mean and include their legal heirs, representatives, executors, administrators, of one part;

AND

..... DCCB Ltd., with its Head Office at and a branch office at represented by its Branch Manager Shri..... S/o , aged about ____ years hereinafter called the "**Bank**" which expression shall, unless it is repugnant to the context mean and include legal representatives, executors, administrators and assigns on the OTHER PART.

WHEREAS the Borrower are in need of loan for establishing Custom Hiring Centres (CHC) in terms of G.O. Rt. No.476 of Govt. of Andhra Pradesh, dt.07.07.2020 and G.O. Rt. No.547 of Govt. of Andhra Pradesh, dt.30.07.2020 and requested the Bank for sanction of loan of Rs._____ (Rupees _____ only). The Bank has agreed to sanction loan to the joint borrowers & Mutual Guarantors on the following terms and conditions:

NOW THIS LOAN AGREEMENT WITNESSETH AS FOLLOWS:

1. That the Bank hereby sanctioned a sum of Rs._____ (Rupees _____ only) as Term Loan, the receipt of which the Borrowers hereby acknowledges.
2. That the Term Loan of Rs._____ (Rupees _____ only) hereby sanctioned is repayable in 8 half yearly installments and interest @ 4.00%/8.30% chargeable at half yearly rests which shall be paid before 10th of the succeeding month along with monthly installment of principal. The repayment of the principal installment will commence from _____,2020.
3. A penal interest @ 2% over and above the normal rate of interest is chargeable on the overdue amount of instalment(s) and/or interest.

4. The said loan is for establishing the CHC.
5. That the Borrowers hereby agrees to hypothecate the Assets (Equipment/Machinery) purchased, jointly in favour of the Bank and Government in respect of the loan availed.
6. The Bank reserves the right to appropriate the collections first to charges if any, penal interest, interest, and then to the principal.
7. If the Borrowers fail to pay the instalment amount together with interest due, within 30 days from the due date, the Bank shall have the right for seizure of Equipment/Machinery from the Borrower, in addition to demanding payment of the entire Loan Amount outstanding. Further, after three (3) months of the due date of the 1st Instalment which is not repaid, the Bank in consultation with the Agriculture Department Officers, shall take steps for sale of the Assets (Equipment/Machinery) in order to recover the loan amount, besides taking legal action, for recovery of entire loan amount outstanding.
8. The Bank shall be at liberty to inspect the records and books of the Borrowers, at any time during the currency of the loan at its convenience.
9. That the letter issued by the Bank communicating the sanction of the Term Loan, terms and conditions contained therein form part and parcel of this Agreement of Loan.

In witness whereof the parties hereto have put their signatures in token of the terms and conditions set out herein above onto this Agreement of Loan on the date, month and year mentioned hereinabove in the presence of the following witnesses:

1. for the _____ DCCB Ltd.,

Branch Manager.

2. for the _____ PACS/FPO Ltd.,

Secretary/MD

WITNESSES

1.

Name and Signature

Address

2.

Name and Signature

Address