

LOAN AGREEMENT

This agreement executed by _____

Hereinafter called the borrower (which expression shall mean and include his/her/their respective heirs executors, administrators and assigns) in favour of the Karnataka Minorities Development Corporation Ltd., a body corporate constituted under the _____

having its head Office at Bangalore herein after called the corporation, which expression shall mean and includes its assigns and successors-in interest/witnesses as follows:- In consideration of the corporation having at the request of the borrower granted or agreed to grant to the borrower

_____ Loan _____ of
Rs. _____ (Rupees _____)

___only) hereinafter referred to as the loan to be secured into-alia by the hypothecation/pledge of livestock poultry stocks, raw materials, stock in progress, machinery, stores, spares or other movable articles described in the schedule -1 hereto (hereinafter referred to as “the security”) this agreements executed evidencing the undertaking of the borrower as follows.

1. The borrower expressly agrees and undertakes that the loan granted to be granted shall be utilised exclusively / for the purpose set forth in the borrower’s application made to the corporation and for no other purpose. If the borrower has violating the said undertaking or for any other reason considers it advisable so to do the Corporation shall have the right to recall the loan and demand payment of the full amount then due to the Corporation in respected of the loan forthwith one lump sum not withstanding anything contrary contained herein or in of the document whatsoever.
2. (a) Without prejudice to the right of the Corporation to recall the loan and demand payment of the full amount forth with the borrower shall repay to Corporation or its order in full the principal amount of the loan in instalments in the manner set out in the schedule II here below or as modified from time to time by exchange of letters between the borrower and the Corporation.

(b) The borrower shall pay interest on the amount of the balance outstanding at any time as reflected in the account of the borrower with the Corporation wherein the transactions relating to the loan are entered (hereinafter called “the loan account”) at the rate of% p.a. or at such other rates and may be fixed by the Corporation from time to the subject, however, to a minimum of% p.a. and such interest shall be paid

every month/quarter year/half year/ending within the last working day of the month/quarter/half year/year.

(c) The Corporation may at its discretion debit the loan account with interest on the outstanding amount and such amount shall from part of the principal amount due by the borrower under this agreement.

(d) I/We/the borrower(s) named herein agrees that you the Corporation shall always be competent to enhance the rate interest and additional interest payable by me/us/ the borrower(s) named herein under this agreement/letter from time to time.

3. That the securities now given to the Corporation as well as all future live stocks raw materials stock-in-progress stock-in-trade, machinery stores, spares etc., coming into the ownership of the borrower as the case may be shall stand charged by way of hypothecation and constitute security for the due repayment and discharge or all and any other indebtedness or liability of the borrower to the Corporation.
4. That the borrower shall insure the securities in the joint names of the borrower and the Corporation with such instructions approved by the Corporation for such sums and against such risks as the Corporation may require from time to time and that on failure of the borrower to do so insure the securities, the Corporation shall be at liberty to effect such insurance so long as the corporation's charge over the securities subsists at the expenses of the borrower and to recover the said expenses by debiting the loan account whereupon the amount so debited shall from part of the amount due by the borrower under the agreement.
5. That the borrower shall always keep the securities distinct and distinguishable which shall be held as Corporation's property appropriated towards this security and to be dealt with by the Corporation at its discretion, to be always available for the inspection by its officers and nominees and the Corporation shall be entitled at any time to seize break open the premises, seize and dispose of without further reference to the borrowers, either by public auction or by private contractor or make any arrangement to carry on the business through agents or by leasing or otherwise as the Corporation may deem fit, but without being bound to exercise and of their power or being liable for any loss in exercise thereof and without prejudice to the bank's rights and remedies of suite against the borrower otherwise.
6. That this agreement shall operate as a continuing security for all the monies indebtedness liabilities of the borrower to the Corporation notwithstanding the Credit balance in the

account at any time or partial payment thereof and shall not prejudice any right or remedies of the Corporation in respect of any present or future security guarantee obligations or liabilities of the borrower.

7. That any notice by way of demand or otherwise may be given by the corporation to any of the executants/s hereunder by the same by post or messenger and addressed to the said executants/s and such notice shall be deemed to have been served at the time when it will be delivered in the ordinary course of post or messenger and it will be sufficient in order to prove service of any such notices and to prove that the envelope containing the same was posted, the certificate signed by any officer duly authorised by the corporation in this regard that the envelope was posted, shall constitute such proof.
8. That the obligations herein contained shall not be determined or effected by the death of any of the executants/s hereunder but shall in all respect and for all purpose be binding and operative on his/ her/ their successors (s) hers(s) and assign(s) under full repayment of all monies secured by and due to the corporation under the agreement.

(a) LIVESTOCKS

No	Description	Age	Breed	Identification	Value

(b) MACHINERY/OTHER MOVABLE ARTICLES

No	Description	Number & date of Receipt/invoice	Value

(c) SCHEDULE II – REPAYMENT SCHEDULE

PRINCIPAL	INTEREST
Amount of Instalment Rs:- Number of Instalment Instalment falls due on every month/ quarter/half year Last Instalment due On	To be repaid within the last working day of the respective quarter

In witness whereof, the borrower thus executed this agreement this agreement on

This day of20 at(place)

BORROWER