

**UNITED BANK OF INDIA**  
**Head Office: Kolkata**

**AGREEMENT FOR TERM LOAN AGAINST FUTURE RENT RECEIVABLES**

THIS AGREEMENT FOR TERM LOAN AGAINST FUTURE RENT RECEIVABLES is made this ..... Day of ..... two thousand ..... BETWEEN M/S. ...., company incorporated under the Companies Act, 1956 and having its Registered Office at ..... / ...../..... son/daughter/wife of ..... residing at ..... and ..... son/daughter/wife of ..... residing at ..... and ..... son/daughter/wife of ..... residing at ..... carrying on business in co-partnership under the name and style of “.....,” “.....” hereinafter called ‘the Borrower’ (which expression shall, unless excluded or repugnant to the context, be deemed to mean and include its/ his/her/their respective heirs, executors administrators, legal administrators, successors or successors in office and assigns) of the ONE PART and United bank of India, a body corporate constituted under the Banking Companies (Acquisition & Transfer of Undertaking) Act, 1970 as amended by Section 10 Sub-section (I) of the Banking (Amendment) Act, 1985 and having its Head Office at 16, Old Court House Street, Kolkata-700 001 and a Branch amongst other places at ....., hereinafter called ‘the Bank’ (which expression shall, unless it be repugnant to the subject or context thereof, include its successors and assigns) of the OTHER PART.

Whereas

1. The Borrower is the owner/lessee of house/flat No...../godown situated at ..... (here set out detail description of the property) and is fully authorised and empowered to let out/grant lease of the said house/flat/godown on such terms and conditions as the Borrower shall think fit and proper.
2. The Borrower has let out/granted lease of the above house/flat/godown to ..... the Tenant/Lessee herein, by way of monthly tenancy/lease upon the terms and conditions therein contained, a copy of which Tenancy/Lease Agreement is annexed hereto.
3. The Borrower has approached the Bank for granting a Term Loan facility to it against the rent receivables from the above mentioned property for ..... (purpose).
4. At the request of the Borrower, the Bank has sanctioned to the Borrower a Term Loan of Rs ..... (Rupees .....), inter alia against the securities of assignment of rent receivables by the Borrower from the Tenant/Lessee for the Tenanted/Leased premises in favour of the bank.
5. To give effect to the aforesaid arrangement, the parties hereto have agreed to execute an agreement (being these presents) upon the terms and conditions hereinafter appearing.

NOW THIS AGREEMENT WITNESSETH as follows :

1. The Bank has granted and/or agreed to grant and the Borrower has taken and/or agreed to take Term Loan facilities for Rs. .... (Rupees .....) from the Bank subject to payment of interest at the rate hereinafter mentioned and upon the terms and conditions hereinafter contained.
2. The Borrower hereby agrees and covenants with the bank to repay to the bank loan amount of Rs. .... (Rupees .....), along with interest at the rate hereinafter mentioned, by ..... monthly instalments of Rs. .... (Rupees .....) each commencing from ..... and ending on ..... and such payment shall be made by assignment of rent receivable, net of deduction at source for tax and such other amount as mentioned in the Tenancy/Lease Agreement dated ....., by the Borrower from the Tenant/Lessee.
3. The Borrower hereby agrees and promises with the Bank so long as the said loan or any part thereof remains unpaid to pay to the Bank interest @.....% per annum, on the amount of loan outstanding for the time being, calculated on daily product and charged on monthly basis.
4. The Borrower hereby agrees and covenants with the bank as follows :
  - a) The Borrower shall assign to the Bank the monthly rent of Rs. ...., net of deduction at source and such other amounts as mentioned in the Tenancy/Lease agreement dated ..... executed between the Tenant/Lessee of ONE PART and the Borrower of the OTHER PART, receivable by the Borrower from the Tenant/Lessee for the purpose of repayment of the above loan with interest thereon at the rate mentioned hereinabove.
  - b) The borrower shall execute formal agreement for Assignment of Rent with the Bank and the Tenant/Lessee at its/his/her cost and expenses including stamp duty payable on such Agreement for Assignment of Rent to protect the interest of the Bank and shall not raise any dispute or objection for such purpose.
  - c) That so long as the above loan is not fully repaid by the Borrower to the Bank, the Borrower shall not change its instruction or authorisation given to its Tenant/Lessee to pay the rent to the Bank and also shall not terminate the tenancy/lease of the Tenant/Lessee without the consent in writing of the Bank.
  - d) The borrower shall execute Power of Attorney (irrevocable during the currency of this Agreement for Loan dated .....) in favour of the bank to receive the monthly rent directly from the tenant/ lessee.
  - e) The Borrower shall not, during the continuance of this Agreement or so long the above loan is not fully repaid, sell, dispose of, mortgage or otherwise charge, encumber, or in any manner part with the possession of the property or any part thereof nor shall the Borrower do or permit to be done any act whereby the security hereinbefore expressly given to the Bank shall in any way be prejudicially affected or whereby any distress or attachment or execution may be levied thereon by any creditor or other person including any Government or Municipal authority or body.
  - f) The Borrower will at all times pay all taxes, assessments, dues and outgoings payable in respect of the property, the rent of which is assigned in favour of the Bank towards security of the abovementioned loan.
  - g) The borrower shall at its own expenses insure and keep insured the property against fire, natural calamities and any other malicious damages with appropriate Bank Clause to protect the Bank's interest.

- h) The borrower shall at once notify the Bank of any change in its/his/her present address given hereinabove.
  - i) The Borrower shall at all times, during the currency of this Loan Agreement or so long the loan is not fully repaid, allow the bank or its authorised agent to inspect the tenanted/leased premises and/or any other property, offered as security and also allow the bank to value the same. Any such valuation shall be conclusive and binding on the Borrower both in and out of the Court.
  - j) The Borrower shall bear all cost and expenses for documentation, inspection, valuation, etc., as may be required by the bank from time to time and shall pay the same at the instance on demand (the bank Statement being conclusive) and shall not raise any dispute or objection for such purpose.
  - k) The Borrower shall furnish information from time to time as required by the Bank and execute any necessary documents required from time to time to give effect to this security mentioned herein under.
5. The Borrower hereby declares and guarantees that the monthly rent receivables from the Tenant/Lessee, which are being assigned to the bank towards security of the abovementioned loan, are and shall remain the absolute and unencumbered property of the Borrower with full power of disposition thereof till the time of execution of Agreement for Assignment of Rent in favour of the bank.
  6. The Borrower hereby undertakes to replenish any shortfall in the monthly rent, assigned to the bank, payable by the Tenant/Lessee that might occur due to increase in deduction at source of tax and such other amounts during the currency of this agreement for loan against assignment of rent dated.....
  7. In case the borrower fails to pay the outstanding dues of the bank, either by one stroke or by EMI and /or any default in payment of EMI the bank shall be at liberty to take possession of the premises and will let out to other person on the basis of monthly rent and the borrower shall not raise any objection and the same is hereby confirmed by the borrower.
  8. The borrower hereby undertakes that if the tenant/lessee terminates the tenancy/lease during the currency of the loan agreement i.e., prior to the scheduled termination date of lease/tenancy/agreement, the outstanding amount at the time of such preponed termination along with interest thereon will be repaid by the borrower either instantly by one stroke or by E.M.I. as contracted in this Agreement for Loan without any default. The Borrower also undertakes to arrange for new tenant/lessee with written consent of the bank, if so required, and to substitute the existing Agreement for Assignment of Rent by the new one for repayment of the outstanding by E.M.I. as contracted in the loan agreement without any default.
  9. The Borrower hereby agrees to open and/or maintain with the Bank a Savings bank/Current Deposit Account and keep the account in sufficient funds and hereby irrevocably authorizes the Bank to debit the same or any such account of the Borrower with the bank for the amount of monthly instalment, inclusive of principal and interest thereon, if so required by the bank in case of non-receipt of monthly rentals from the Tenant/Lessee as per Agreement for Assignment of Rent dated..... The borrower also irrevocably authorizes the Bank to debit such accounts of the Borrower for reimbursement of any out of pocket expense incurred from time to time for the above mentioned loan account. The Bank shall also have the right to set off the balance due in the said loan account together with all interest costs, charges, expenses and other moneys payable by the borrower at any time after such balance or interest or such costs, charges, expenses and other moneys has/have been payable by the Borrower under the Terms mentioned herein.
  10. The Borrower hereby also agrees to declare the particulars of its/his/her Savings bank/Current Deposit Accounts with other banks and authorizes the Bank to charge such other accounts with other banks for recovery of all charges, costs, expenses incurred by the Bank from time to time for the abovementioned loan account.

11. Notwithstanding anything herein contained to the contrary the whole of the said loan or the entire balance thereof outstanding for the time being shall at the option of the bank become forthwith due and payable by the borrower to the Bank and the security hereunder shall at the option of the bank become enforceable immediately upon the happening of any of the following events, namely,
- a) Monthly instalments are not paid for three (3) consecutive months;
  - b) Any representation or statement in the Borrower's Loan Application being found to be materially incorrect;
  - c) The Borrower committing any breach or default in the performance or observance of any term or condition contained in these presents or in the terms of sanction accepted by the Borrower;
  - d) Execution or distress or other process being enforced or levied upon or against the whole or any part of the Borrower's property whether secured to the Bank or not;
  - e) The Borrower being adjudicated insolvent or taking advantage of any law for the relief of insolvent debtors or entering into any arrangement or composition with the creditors or committing any act of insolvency;
  - f) If the Borrower shall without the consent in writing of the bank create or attempt or purport to create any mortgage charge, pledge or lien or encumbrance on the assigned rent and other properties/assets, which are the subject of the Bank's security hereunder or any part thereof;
  - g) If any event or circumstance shall occur which shall in the opinion of the Bank be prejudicial to or endanger or be likely to prejudice or endanger its security hereunder.

On the question whether any of the matters, events or circumstances mentioned in sub-clauses (a) to (g) above has happened the opinion of the Bank shall be conclusive and binding on the Borrower both in and out of court.

12. Nothing herein shall operate to prejudice the bank's rights or remedies in respect of any present or future security, guarantee, obligation or decree for any indebtedness or liability of the Borrower to the bank.
13. The Borrower agrees to accept as conclusive proof of the correctness of any sum claimed to be due from the Borrower to the Bank under this Agreement a statement of account made out from the books of the bank and any such statement signed by the Manager or other authorised officer of the bank without production of any other voucher, document or paper.
14. Where the Borrower is more than one individual, each one of them shall be bound and liable hereunder jointly and severally with the other or others of them and all covenants, conditions, agreements herein contained shall be performed by them and each of them jointly and severally and any act of default by any of them shall be deemed to be an act of default by all of them. Where the Borrower is a firm such firm and all partners thereof from time to time shall be bound hereunder both jointly and severally notwithstanding any change in the constitution or style thereof and notwithstanding that the firm shall consist of or be reduced to one individual. Where the Borrower is a company such company and all directors thereof from time to time shall be bound hereunder both jointly and severally notwithstanding any change in the constitution or style thereof.
15. The borrower hereby agrees as the pre-condition of the above loan/advance given to him by the Bank that in case of default in repayment of the loan/advance or interest thereon, the bank and the RBI will have an unqualified right to disclose or publish his name in such manner and in such medium as the bank or RBI in their absolute discretion may decide.
16. Any notice in writing to be served upon any of the parties hereto may be made personally or given by sending the same to such party at its respective address mentioned herein and every such notice shall be deemed to be received at the time at which it is left at or at the time at which it will be delivered by post or otherwise at the respective address of the parties.

IN WITNESS WHEREOF the parties hereto have executed these presents on the day, month and year first above written.

**SCHEDULE OF REPAYMENT**

Amount of each Equal Monthly Instalment (inclusive of principal and interest)	Number of Instalments	Scheduled date of payment (1st – 5th day of each month next to month of disbursement without any moratorium)

**SCHEDULE OF SECURITIES**

Type of Security	Nature of Security	Value
Primary	Future rent receivables assigned in favour of bank	
Collateral	Equitable mortgage of immovable property at ..... ..... (Description and location of the property) Lien of bank's Term Deposit Assignment of NSC, KVP, LIP, etc. (Strike out whichever is not applicable)	

(Common seal to be affixed in case of Company)

SIGNED and DELIVERED by the above named.

Borrower :

SIGNED and DELIVERED for and on behalf of Bank

by Mr./Ms.....  
 (Name and designation)

at .....  
 (Name of Branch/Office)