

UNITED BANK OF INDIA
Head Office: Kolkata

Loan Agreement format for United Trade Credit Scheme

(To be stamped as an agreement as per rules of the State where executed)

This Memorandum of agreement is made at _____
_____ this _____ day of _____ 200 .

BETWEEN Sri/Smt/ _____
S/o, W/o, D/o _____ at present carrying on
business at _____ as sole proprietor/proprietors under
the firm name and style of M/s _____
(hereinafter referred to as the "borrowers" which expression shall unless repugnant to the context or
meaning thereof be deemed to include him/her, his/her legal representative, successors and permit-
ted assignees) of the ONE PART.

OR

1. Sri/Smt _____
s/o,d/o,w/o _____
2. Sri/Smt _____
s/o,d/o,w/o _____
3. Sri/Smt _____
s/o,d/o,w/o _____

at present carrying on business at _____
in a partnership under the firm name and style of _____
(hereinafter referred to as the "Borrowers" which expression shall unless repugnant to the context or
meaning thereof be deemed to include them and or the partner/s for the time being thereof and his/
her/their representatives/ heirs/ executors, legal representatives/ successors and permitted assign-
ees) of the ONE PART.

OR Sri/Smt _____
s/o, w/o, d/o _____ for self and as the Karta of his
joint Hindu family carrying on the business at _____

_____ as joint family business under the firm name and style
of _____ (hereinafter referred to as the "Borrowers" which
expression shall unless repugnant to the context or meaning thereof be deemed to include him and
all the coparceners of the Hindu joint family of the borrowers and the survivors of the borrowers,
survivors of him/her, heirs/executors, legal representatives, successors and permitted assignees) of
the ONE PART.

OR _____ a society / association registered
under the Societies Registration Act / Co-operative Societies Act and having its registered office
at _____

(hereinafter referred to as the "Borrowers" which expression shall unless repugnant to the context or
the meaning thereof be deemed to include its successors and permitted assignees) of the ONE
PART.

OR _____ a company within the meaning
of Companies Act, 1956 and having its Regd. Office at _____

(hereinafter referred to as the "Borrowers" which expression shall unless repugnant to the context and meaning thereof be deemed to include its successors and permitted assignees) of ONE PART. AND United Bank of India, a body corporate constituted under Banking Companies (Acquisition & Transfer of Undertakings) Act, 1970 having its Head Office at 16, Hemanta Basu Sarani, Kolkata-700001 and inter alia a branch office at _____ (hereinafter called the Bank which expression shall include its successors and assigns) of the OTHER PART.

Whereas the borrowers have approached the bank for allowing credit facilities by way of Over Draft/ Term Loan/ Letter of Credit / Bank Guarantee upto the extent of Rs. _____ for the purpose set forth in the borrower's proposal dated _____, a copy whereof is annexed to this agreement as Annexure-1 (hereinafter called the borrower's proposal) under the United Trade Credit Scheme of the bank.

Whereas the bank relying upon the representation and information provided by the borrowers have agreed to allow credit facilities by way of Over Draft/Term Loan/ Letter of Credit / Bank Guarantee to the extent of Rs. _____ for the purpose of business interalia, on the terms and conditions as mentioned herein below and against hypothecation of stocks, book-debts, other assets / securities and mortgage of immovable properties for a term of ____ years on the terms and conditions hereinafter appearing in the agreement/sanction letter and upon execution of documents.

NOW IN CONSIDERATION OF THE AFORESAID THIS AGREEMENT WITNESSETH AND IT IS HEREBY AGREED IN THE PREMISES BY & BETWEEN THE PARTIES HERETO AS FOLLOWS :

1. The borrower's proposal together with the letter of sanction communicated to the borrowers by the bank shall be deemed to constitute the basis of this agreement for the credit facilities to be advanced by the bank hereunder and the borrowers hereby warrants the correctness of each and every one of the statement and particulars therein contained and undertake to carry out the proposals therein set forth.
2. The bank will lend to the borrowers an advance by way of credit facilities to the extent of Rs. _____ (Rupees _____ only) upon the terms and subject to the conditions herein set forth as per the sanction letter annexed to this agreement as Annexure-2 (hereinafter called the sanction letter). The borrowers shall be responsible for due payment on demand of the entire amount along with interest that may at anytime be due in the account though such may exceed the said limit.
3. The Term Loan may be disbursed in one lump sum or in suitable instalment as may be decided by the bank having regard to the needs of the borrowers. The decision of the bank in this regard shall be final, conclusive and binding on the borrowers. In case of Over Draft, the same shall be disbursed out of the limit sanctioned to the borrowers according to the needs of the borrowers on a running a/c basis through withdrawal by cheques or otherwise as will be considered appropriate by the borrowers in accordance with banking norms.
4. The borrower shall pay interest at _____ with monthly rest. The rate of interest payable by the borrower in respect of above credit facilities by way of overdraft /term loan/ LC / BG will be flexible and will change with the change of PLR from time to time or in such manner as may be decided/communicated /circulated by the bank.
5. The borrowers agree, affirm and confirm that in respect of the above credit facilities sanctioned to the borrowers by the bank, interest shall be calculated on the debit balance in the a/c on daily product basis and debited to the a/c every month and shall become due at the end of the calendar month. Till the debt is not paid in the a/c by the borrowers in its entirety, the same will form part of the principal and carry interest at the abovementioned rate(as mentioned in para 4).
6. The borrowers agree to pay additional/penal interest as per terms of sanction over and above the aforesaid rate of interest as under :-
 - 6.1 In case of default in payment of interest and instalment on due date on the amount of

default from the date of default.

- 6.2 In case of default in complying with the sanctioned terms and conditions of the loan / of this agreement.
- 6.3 In case the account becomes irregular because of excess borrowing due to overdraw of limit or any other reason whatsoever.
- 6.4 Charging of additional/penal interest shall be without prejudice to any other right/ remedies available to the bank and the same shall continue for such period as the irregularities continue or for such time as the bank deems it necessary regard being had to the nature of irregularities.
7. The borrowers hereby agree to pay one time processing charge @ Rs.200/- for Rs.1.00 lac or part thereof on the overall credit facilities applied for by the borrowers and shall be realised along with the application.
8. Notwithstanding anything contained herein, the bank may by notice to the borrowers suspend or cancel disbursement of the above credit facilities or any part thereof if the same has not been drawn within _____ months from the date of communication of the sanction and further bank may suspend operation of the limit if the borrowers do not carry out transaction in the a/c consecutively for more than 3 (three) months.
9. If the entire amount of the credit facilities is not drawn by the borrowers within a period of _____ month/s, the same shall be altered and rescheduled in such a manner and to such an extent as the bank in its sole discretion decide and repayment thereupon be made as per the said alteration and rescheduling notwithstanding anything stated in this agreement, as communicated to the borrowers.
10. The borrowers hereby confirm that various banking documents/agreements are signed by them to ensure the repayment of bank's dues together with interest as stipulated hereinabove and further confirm that all the securities charged to the bank under the banking documents / agreements shall be continuing security for repayment of any debit balance and accrued interest in respect of Overdraft / Term Loan / LC/ BG a/c(s) till liquidation of entire dues, cost of the bank.
11. That it is declared that all present debts and assets of the unit/firm/joint Hindu family business/ co-operative / association /society /company are the absolute property of the borrowers at the sole disposal of the borrowers and free from any prior charge or encumbrance and now after execution of this agreement and all other documents in terms of sanction communicated hereinabove these debts and assets and all future debts and assets hereunder shall remain charged exclusively to the bank.
12. That if the borrowers be more than one individual all shall be bound hereby jointly and severally and if the borrower shall be a firm, such firm and all members from time to time thereof, shall be bound hereby notwithstanding any change in the constitution or style thereof and whether the firm shall consist of or be reduced to one individual.
13. As a security for payment and discharge by the borrowers to the bank for the aforesaid overall limit of Rs._____ and interest and costs, charges and expenses and other money due and payable by the borrowers to the bank under or in respect of the aforesaid credit facilities or any of them, the borrowers hereby agree and undertake to create mortgage (equitable/registered) in respect of land and/or land, building/flat/godown located at such rural/semi urban, urban and metropolies, having clear marketable title in a form satisfactory to the bank and/or create charge on securities like LIC policy (surrender value), NSC, KVPs, Relief Bonds, bank's own Term Deposits, Central Govt. securities acceptable to the bank after due verification thereof in favour of the bank in the form and manner as may be required by the bank to secure the outstanding under the said over draft/term loan/LC/B.G account besides interest, costs and other charges thereon. The borrowers further agree that the said financial securities in respect of which charge has been created by way of pledge and which forms the basis of the above advance shall be assigned in favour of the bank and such assignment shall be recorded

with the issuing authority of such security through normal banking channel. The borrowers also agree and undertake that they will create charge by way of hypothecation of the borrower's stock in trade, book debts and other current assets etc. both present and future for securing the aforesaid overall limit. The borrowers further agree that the guarantors shall also likewise create mortgage equitable/registered/ charge in respect of the mortgaged properties / financial securities belonging to the guarantors for the overall limit availed by the borrowers for due payment and discharge by the borrowers of the said overall limits with interest, costs, charges, expenses and all other money payable by the borrowers to the bank.

- 13.1 That the borrower hereby agree that the whole of the borrower's stock consisting of _____ whether _____ whether raw or in process of manufacture and all products, goods and movable property of any kind which now hereafter from time to time during the securities shall be brought into store or be in or about the borrower's premises or godown at _____ (hereinafter called "goods") or wherever else the same may be (including any goods in course of transit) with the benefit of all rights relating thereto for sale and thereof or otherwise shall remain hypothecated to the bank and its assigns by way of 1st charge as security for the due repayment to the bank on demand of the debit balances in the a/cs at any time against in respect of the credit facilities and future indebtedness and liabilities of the borrowers to the bank of any kind in any manner whether solely or jointly, primary / collateral, accrued or accruing with all relative interests, costs, charges and expenses.
- 13.2 That the borrowers agree that all the aforesaid goods and all sales realisations thereof and all documents under this security shall be held as the bank's exclusive property specifically for appropriation thereof towards bank's dues.
- 13.3 The borrowers also agree that all the borrower's present and future book-debts, outstanding moneys, receivables, claims, bills, contracts, engagements, securities and movable assets shall be hypothecated to the bank and its assigns by way of 1st charge as security, for payment to the bank on demand of the debit balances in the a/cs at any time and for the payment and discharge of all the borrower's present and future indebtedness and liabilities to the bank of any kind in any manner whether solely or jointly, primary or collateral, accrued or accruing with all relative interest, charges, costs and expenses.
14. The bank shall have the absolute right to decide whether or not it will accept as security for the purpose of aforesaid credit facilities any goods, book-debts, movables and other assets offered from time to time to the bank by the borrowers. The bank shall have the liberty at its sole discretion at any time, without previous notice and without assigning reasons, whatsoever, cease to accept the security from the borrower and/or cease to make advance there against.
15. The borrowers declare and confirm that all the immovable properties to be mortgaged and all goods, book-debts, movable and other assets to be hypothecated to the bank and or any other final assets assigned to the bank are the absolute properties of the borrowers/ guarantors and free from any prior charge, lien or encumbrance, and that all present and future immovable properties, goods, book-debts, movables and other assets and/or financial assets to be given as security to the bank shall remain charged /liened/ encumbered to the bank for the credit facilities sanctioned to the borrowers as mentioned hereinabove.
16. The borrowers declare that they are not a party to any litigation of a material character affecting the premises mortgaged to the bank and they are not aware of any fact likely to give rise to such litigation or to material claim either against the borrowers or against the premises. The borrowers further declare that the guarantors are also not parties to any litigation of a material character affecting the premises mortgaged to the bank belonging to the guarantors and they are also not aware of any fact likely to give rise to such litigation or to material claim either

against the guarantors or against the premises belonging to the guarantors and mortgaged with the bank.

17. That the borrowers declare that they and also the guarantors are not aware of any document/ judgement/legal process before any court, Govt. authorities or arbitrator or any other charge of any latent or patent defect affecting the title of the premises mortgaged to the bank belonging to the borrowers/guarantors or of any material defect in the premises or its title which has remained undisclosed and/or threaten against the borrowers and/or which may affect the bank prejudicially in allowing the above credit facilities.
18. The borrowers declare that they and also the guarantors have paid all public demands such as I.T and all other taxes and revenue payable to the Govt. / local authority and that at present there are no arrears of such taxes and revenues due and outstanding in respect of the premises belonging to the borrowers/ guarantors mortgaged to the bank.
19. That the borrowers agree that their liability to the bank for their dues on the said account shall be joint and several with the authority and the right to the said bank to compromise and / or give indulgence to any of them preserving its rights and remedies against all or any of them. The borrowers further confirm that where the payment obligations are secured by guarantee, notwithstanding anything herein stated, their liability shall also be joint and several.
20. That the borrowers hereby agree to hold themselves liable as aforesaid on all confirmation letters signed by one of them. The borrowers agree that each one of them will be treated as an agent for the other/s and is authorised to acknowledge and admit liability outstanding in the account from time to time.
21. The borrower shall not create any lien, charge, mortgage or encumbrance of any kind whatsoever on / of the properties/assets in favour of any person other than the bank without the consent of the bank in writing nor do or allow anything that may prejudice the security, while the borrowers remain indebted or liable to the bank in any manner.
22. The borrowers agree to keep fully ensured of the full value of the assets to be mortgaged and stocks hypothecated to the bank as primary/co-lateral securities or otherwise under the comprehensive insurance at borrower's cost, risk and expenses in the name of the borrowers and the bank with the bank clause against risk of damage, loss, destruction by fire, flood, earthquake and such other risk as may be prescribed by the bank and keep up such insurance until the amount due under the above credit facilities by way of Over Draft/Term Loan/LC/BG is paid in full to the bank. The insurance policy be duly assigned in favour of the bank and the insurance policy shall be delivered to the bank when required by the bank to do so. In case the borrowers fail at any time to insure and pay the necessary premium, the bank may without being bound/obliged to do so, get the said property/assets insured, if the bank at any time is apprehensive that the safety of the movable and other assets are endangered and debit the amount of premium to the borrower's account. The premium so paid will carry interest at the same rate as of the amount advanced and become a part of the principal amount. The borrowers agree that they will file claim or initiate legal action and to follow up with the Insurance Company in case of occurrence of risk ensured and remit to the bank the proceeds received/ realised from the Insurance Company. All sums received under such Insurances as aforesaid shall be received by the bank and applied in or towards liquidation of the debit balances due to the bank and to give a valid receipt therefor and the borrower shall not raise any question that a larger sum might or ought to have been received or be entitled to disputes for the debit balances remaining due on any a/c after such credit provided that the bank may at its sole and unqualified discretion waive all or any of these requirements.
23. The borrowers expressly agree and undertake that all the aforesaid credit facilities or any of these shall be utilised exclusively for the purpose set forth in the borrower's proposal and as communicated in the sanction letter mentioned hereinabove.
24. The borrowers from time to time and at all times during the continuance of the aforesaid credit

facility or any of them keep all properties/goods and other assets or any other relative security documents in good condition at borrower's risk and expenses. The borrowers shall be liable to make good any loss occasioned by theft, wastage, deterioration or any other cause whatsoever.

25. It is also agreed that the bank shall have the absolute right to adjust, settle, compromise or refer to arbitration without reference to or consent of the borrowers, any dispute in connexion with or arising under the policy of the Insurance and any of the Assured and such act of the bank shall be valid and binding on the borrower and shall not impair the right of the bank to recover its dues from the borrowers.
26. The borrowers shall continue to pay all taxes accruing due in respect of the property mortgaged / assets hypothecated to the bank and perform all the terms and conditions of the document of title on which the borrower holds the property/ assets immediately the same becomes due and payable and also pay all electricity charges, municipal rates and all other charges and assessments connected with the business regularly and punctually and in case the borrower neglects to pay the same, the bank may pay such charges though not obligatory on the bank to pay such charges. All such charges so paid by the bank shall be a charge upon such securities jointly with all principal moneys and interests as if the same has formed a part thereof. In case of properties belonging to the guarantors mortgaged in favour of the bank, the borrowers declare that they shall also ensure that all the taxes relating to the properties are paid by the guarantors on a continuing basis till the mortgage subsists.
27. The borrowers agree that subsequent to availing of the loan if the property mortgaged to the bank belonging to the borrowers/ guarantors is proposed to be let out by the borrowers/ guarantors, bank's written permission would be required. The bank would accord its permission only where the proposed lease is in favour of an Institution of repute and lease-rental / monthly rent is assigned to the bank.
28. The bank shall always be at liberty to stop making advances at any time without previous notice and without assigning any reason even though the O.D Limit/Term Loan/LC/BG has not been fully availed.
29. The borrowers declare that the borrowers/guarantors shall permit the bank, its agents and servants from time to time and at all times to enter into and upon the premises / property mortgaged / charged in favour of the bank belonging to the borrowers/ guarantors with a view to inspect, value the same and make inventory of the assets.
30. The bank from time to time will have the liberty to have the properties / assets as aforesaid valued by a valuer /appraiser appointed by the bank and the fees and expenses on such appraisalment shall be paid by the borrowers and in default of which the same will be debited to the a/c of the borrower. The amount so paid will carry interest at the same rate as of the amount advanced and become a part of the principal. The borrowers agree and confirm to give all the required assistance/ cooperation to such valuer/appraiser for such valuation and the said valuation shall be binding on the borrowers. The borrowers also declare that the guarantors likewise shall also give all required assistance / co-operation to the valuer/ appraiser appointed by the bank for such valuation in respect of the properties belonging to the guarantors and the valuation so made shall be binding on the guarantors.
31. The borrowers undertake not to change constitution share holding/ capital structure / effect any scheme of amalgamation during the continuance of this agreement which might impair or discharge the liability of the borrowers or any one of them or all of them or in any way affect the rights and remedies of the bank under this agreement.
32. The incidental charges and supervision/ service charges shall be realised by the bank as per the rules of the bank and the same shall be debited to the said a/c and will form part of the principal and carry interest at the same rate as of the amount advanced and will become a part of the principal.

33. The borrowers shall at all times maintain sufficient financial interest in the business and shall if so considered necessary by the bank bring additional fund or assets by way of capital, deposit or otherwise. The borrower shall not withdraw except with the bank's permission in writing or divert or misuse the funds and assets invested in or brought into the business by the borrowers as capital deposits or otherwise.
34. In respect of security created by way of hypothecation/mortgage or otherwise the borrowers shall at all time maintain sufficient quantity and market value of the goods, book-debts, movable and other assets and also all immovable properties given as security to provide the margins of security required by the bank from time to time and will forthwith whenever necessary provide further goods, book-debts, movables, assets and other security (approved by the bank) to restore such margin or pay to the bank the equivalent amount in cash.
35. The borrowers agree that in case of guarantees / indemnities issued by the bank on behalf of the borrowers, the borrower shall deposit sufficient cash or other security as may be acceptable to the bank as margin money as stipulated by the bank. The bank shall be entitled to and shall at its discretion, which shall be final and binding on the borrowers change the margins and the borrowers shall be bound by it notwithstanding any margin earlier agreed to by the bank.
36. The overall credit limit sanctioned to the borrowers by way of overdraft facilities is payable on demand notwithstanding anything contained herein. The borrowers agree to repay the same without any demur or protest together with interest forthwith on written demand of the bank on the borrowers and/or the guarantor. The borrower shall pay to the bank forthwith on demand by the bank the balance or balances then outstanding and owing to the bank under any of the borrower's a/c(s) in respect of such credit facilities together with interest, costs, charges and expenses due in respect thereof.
37. That in respect of credit facilities by way of term loan granted by the bank to the borrowers, the borrowers shall repay the amount of the principal together with interest, costs, charges, expenses and other moneys due to the bank by monthly instalments of Rs. _____ commencing from _____ month _____ year after disbursement of the loan until the entire amount due under the term loan facilities have been repaid.
38. In respect of the credit facilities granted or to be granted by the bank by way of term loan, the borrowers agree and declare that notwithstanding anything contained herein or in any other security documents, the entire amount of term loan or the balance then due shall if so decided by the bank, become forthwith due and payable by the borrowers to the bank upon the happening of any of the following event and the bank shall be entitled to enforce its securities;
 - 38.1 Any instalment of the principal remaining unpaid exceeding one month after due date of payment thereof has expired,
 - 38.2 Any interest remaining unpaid and in arrears for a period of one month after the same have become due whether demanded or not,
 - 38.3 The borrowers committing any breach or default in the performance or observance of any of the covenants contained in this present and/or the borrowers' proposal and or the security document and any other terms / conditions relating to the term loans,
 - 38.4 The borrowers entering into any arrangement or composition with the creditors to the detriment of the bank and without consent of the bank or committing any act of insolvency,
 - 38.5 A receiver being appointed in respect of the whole or any part of the property of the borrower,
 - 38.6 Any execution or distress being enforces or levied against the whole or any part of the borrower's property,
 - 38.7 The borrowers leasing or threatening to lease to carry on business,

38.8 The occurrence of any such circumstances which prejudicially or adversely affect in any manner the capacity of the borrowers to repay the amount due under the term loan.

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

39. The borrowers hereby agree as the pre-condition of the loan/advance giving to them by the bank that in case of the default in repayment of the loan/advance or interest thereon the bank and the RBI will have an unqualified right to disclose or publish their names or the names of their company / firm / unit/ society/ association and their respective directors/partners/proprietors as defaulters in such manner and such medium as the bank or RBI in their absolute discretion may decide.
40. The borrowers further agree that no notice, reminder or intimation shall be required to be given to them regarding their obligation to pay the outstanding amount in respect of the aforesaid credit facilities regularly on due dates. It shall be entirely the responsibility of the borrowers to ensure prompt and regular payment of the outstanding amount with interest and all other amount payable by the borrower to the bank on the dates and in the manner herein provided.
41. The borrowers shall carry on the business efficiently, properly and profitably and such business shall be confined to such trading / business / service activities as have been notified to the bank and for which the bank has sanctioned or agreed to sanction the aforesaid credit facilities and shall keep all the licences, lease contracts, engagements essential for carrying on and/or trading/business/service activities of the unit renewed from time to time and shall not allow any interruption or disturbances to happen so as to hamper / hinder / adversely affect the business of the borrowers. The borrower shall maintain proper books of a/cs / documents and records relating to the business as may be statutorily required or as may be required as per terms of sanction of the sanction letter mentioned hereinabove by the bank or as may be necessary and/or generally kept in the business of the kind carried on by the borrowers. The borrowers shall if so required by the bank allow the bank, its officers, agents and nominees and/or qualified auditors and/or management consultants as may be appointed by the bank to inspect or audit such books of a/cs, registers, books and documents/ records etc. and also to furnish to the bank at such interval as the bank may direct from time to time a schedule or copy of all the entries which have been made in the books.
42. The borrowers expressly agree and confirm that in the event of their default to pay the amount outstanding under the credit facility, in addition to any general or similar lien/ right of set off to which the bank may be entitled by law, the bank shall, without prejudice to any of its specific right under the agreement, be at liberty to apply/ appropriate any other money or amounts standing to the credit of the borrower with any branch of the bank including the fixed deposits, railway receipts, promissory notes, bill of exchange, cheques, etc. and also by way of combining the a/cs of the borrowers in or towards repayment of the amount outstanding under the above credit facility at any time and without notice to the borrowers at the sole discretion of the bank.
43. The borrowers shall execute all agreement /undertakings and instruments as may be required by the bank now or here after at any time during the currency of the credit facility and any renewal thereof which may be granted by the bank hereafter.
44. The borrowers agree that in case they make default in payment of the principal and accrued interest in respect of the aforesaid credit facilities, the amount under the said facilities shall become payable forthwith by them to the bank under this agreement and/or any other agreement/document subsisting between them and the bank and the amount shall become payable forthwith and the security created in favour of the bank for the aforesaid credit facility shall become enforceable and the bank shall be entitled to enforce the security and recover the outstanding amount with interest and all other amounts.
45. In the event the bank becomes entitled to enforce the mortgage security created in its favour in

terms of the agreement or any other security document in respect of above credit facility then, prejudice to the rights of the bank to enforce the security created / caused to be created by the borrower or the guarantor in favour of the bank under this security documents executed in favour of the bank, the bank shall be entitled to and the borrowers hereby authorises the bank to do any of the following acts, deeds, matters and things and for the purpose to execute necessary writings and power of attorney in favour of the bank.

45.1 to obtain and take possession of the premises from the borrower/guarantor / owner / occupant of the premises,

45.2 to give the premises on lease/licence/sublet or any other basis to such person or persons and on such terms and conditions as the bank may deem fit,

45.3 to appoint receiver in respect of the premises,

45.4 to sell the premises to such person or party and on such terms and conditions as the bank may deem fit, and adjust the sale proceeds towards protanto satisfaction of bank's outstanding balance.

46. That the borrowers agree that on any default of the borrowers in payment of any money hereby secured by way of hypothecation or the performance of any obligation to the bank under this or the occurrence of any circumstances in the opinion of the bank endangering this, the bank shall be entitled at the borrower's risk and expense transfer and deliver to the bank all relative documents and papers and agreeing to accept the bank's accounts of receipts from realisations under this security and to pay any shortfall or deficiency thereby shown. Provided that subject to these powers of the bank the borrower may in the ordinary course of business deal with the said debts and assets on the express undertaking that the same and all proceeds thereof are at all times held for the bank as its exclusive property.
47. That the borrowers declare that all the information furnished by them in the loan application or any of the supporting documents or otherwise is absolutely true, correct and complete in all respects and that no fact and information necessary to be furnished by them has been omitted to be stated in order to induce the bank to provide the above credit facility.
48. The borrowers agree that in the event of taking over their financial assets in view of default committed by them in repayment of outstanding dues in respect of the above credit facility, all costs incurred by the bank in this connection including the preservation and protection of the assets including premises shall be charged to them and shall be reimbursed by them.
49. The borrowers agree, confirm, affirm and covenant that they will submit to the bank stock and book-debt statement, wherever applicable as on 30th June and 31st December of every calendar year within 15 days from the close of the quarter. In case where as per statute annual audit of profit & loss a/c and balance-sheet are to be prepared, the said audited profit & loss a/c and balance sheet are to be submitted to the bank within three months from the close of the financial year.
50. The borrowers shall indemnify the bank against all losses, costs, damages, expenses whatsoever that the bank may incur or sustain by reason of the borrowers' act, default, omission of the borrower's servant or employees or other persons acting on behalf of the borrowers in respect of goods, moveable and other assets hypothecated in favour of the bank.
51. The borrowers shall display conspicuously the bank's name on the shop/ godown and other places approved by the bank where such goods, movables and other assets hypothecated to the bank have been stored / kept indicating that such goods, movables and other assets are hypothecated to the bank.
52. In respect of goods, movables and other assets stored and held in the godown owned or hired or let out to the borrowers, the borrowers shall provide the bank and its agents and nominees with an unimpaired access to the godown at all times and where the godowns are hired by or let out to the borrowers, the borrowers shall furnish to the bank a letter from the land-lords/ owners consenting to continue such unimpaired access to the godowns to the bank and its

agents and nominees and also declaring that notwithstanding any claim for any unpaid rent, the land-lords /owners acknowledge the prior claim of the bank on all goods, movables and other assets stored and held therein and hypothecated/ mortgaged or otherwise charged to the bank and that the bank, its agents and nominees shall have the right to remove the goods, movables and other assets so stored and held in the godown whenever desired by the bank.

53. The security created and undertakings given herein, and/ or by the security documents executed in favour of the bank for various credit facilities shall operate as continuing security and/ or undertakings for all moneys, indebtedness and liabilities of the borrowers under the above credit facilities and will operate as security and/or undertakings for the ultimate balance or aggregate balance with interest and costs and charges and expenses if any to become payable.
54. The borrowers agree, declare, affirm and confirm that notwithstanding any of the provisions of the contract act or any other law on any terms and conditions to the contrary contained in this agreement and/or any security documents any payment made by the borrowers to the bank unless otherwise agreed to by the bank in writing be appropriated by the bank in the manner following :
 - 54.1 Firstly towards costs, charges and expenses and other moneys due and payable or becoming due and payable to the bank,
 - 54.2 Secondly towards interest due and payable and/or accruing due and payable to the bank,
 - 54.3 Lastly towards repayment of the principal sum due and payable or becoming due and payable to the bank, all the aforesaid amounts having becoming due and payable and/or becoming due and payable by the borrowers to the bank under this agreement and/or under any of the security documents executed between the borrowers/guarantors and the bank, whether the recovery thereof has or has not become barred by law in force for the time being as to the limitation of the suit.
55. The borrowers shall not compound or release any of the book-debts in favour of any party other than the bank nor to do anything whereby the recovery of the same may be impeded, delayed or prevented without the consent in writing of the bank being first obtained.
56. The borrowers shall not (a)allow any receiver to be appointed on the properties movable and immovable belonging to the borrowers or guarantors, hypothecated/ mortgaged /charged to the bank or any part thereof without written consent of the bank (b) allow any distress or execution to be levied upon or against the same or any part thereof in the matters other than the Bank.
57. The borrowers shall indemnify and keep indemnified by the bank from and against all actions, suits and proceedings, cost and charges, claims and demands whatsoever that may at any time arise or be brought or made by any person against the bank in respect of any acts, matters and things lawfully done or caused by the bank in connection with the goods and movables and other assets or in pursuance of the rights and powers of the bank under the agreement or other security document.
58. That the borrowers agree that the aforesaid credit facilities granted in their favour shall be reviewed annually or at any time by the bank by assessing the working capital requirement and profitability and the bank being satisfied about the operation of the a/c, repayment of the amount, security and credit risk rating, allow the credit line to continue and/or enhance or reduce the limit, after considering the same on merit after proper assessment of the working capital requirement of the borrowers.
59. Any demand herein may be made on the borrowers and/or guarantors through any notice in writing under the hands of bank officials, either served personally to the borrowers or guarantors or left at or sent by post to them at their addresses registered/ available with the bank and in proving such service, it shall be sufficient, if it is established, that the envelope containing

such notice, communication or demand was properly addressed and put into the Post Office. Notice served on any one of the borrowers shall be deemed to have been served on all of them.

60. The borrowers further declare that they have understood all the terms and conditions relating to sanction and agree to abide by the same and also by the rules and regulations/ guidelines which may be issued in future from time to time by the bank and in the event of the failure of the borrowers to do so, the bank will have a right to recall the advance.
61. The undertakings, authority and agreements herein contained shall be irrevocable so long as the borrowers continue to be liable to the bank in respect of their loan a/cs covered by this agreement.
62. The borrowers hereby declare and confirm that the above credit facilities granted to the borrowers shall be governed by the terms and conditions as set out in the sanction letter as also herein contained as well as those embodied in the relative security documents.
63. The borrowers declare, affirm, confirm and covenant that the borrowers are not in default under any law, rule, regulation or order, mortgaged instruments agreement or other instruments, arrangement obligation or duty to which the borrowers are bound.

IN WITNESS WHEREOF the parties have signed these presents on the day, month and year above mentioned.

Signed Sealed & Delivered by
Shri/Smt
For and on behalf of
Messers

For and on behalf of
Messers

as proprietor/

proprietress thereof

Proprietor/Proprietress

OR

Signed Sealed & Delivered by
Shri/Smt

For and on behalf of
Messers

Shri/Smt _____

1. _____

Shri/Smt _____

2. _____

Shri/Smt _____

3. _____

Shri/Smt _____

4. _____

For and on behalf of
Messers

Partners

as partners thereof

Signed Sealed and Delivered
by

1. Sri _____

2. Sri _____

3. Sri _____

OR

For and on behalf of
M/s _____

(Karta)

(Adult Coparcener)

(Adult Coparcener)

Signed Sealed and Delivered
by

1. Sri/Smt _____

2. Sri/Smt _____

3. Sri/Smt _____

4. Sri/Smt _____

For and on behalf of
M/s _____

(Secretary of the Society)

(Member, Managing Committee)

Pursuant to the resolution
of the Managing Committee
of the Society passed on
_____ (Date)

Common Seal of the above named
Society affixed in presence of-

(1) _____ Signs as

(2) _____ Signs as

Common Seal

OR

Signed, Sealed and Delivered by

For and on behalf of

M/s. _____

(1) Sri/Smt. _____

(2) Sri/Smt. _____

(3) Sri/Smt. _____

(4) Sri/Smt. _____

In pursuance of the resolution
Of the Board of Directors of the
Company passed on _____ (Date)

Common Seal of the above
Named Company affixed in
the presence of –

Common Seal

(1) Sri/Smt. _____ Signs as

(2) Sri/Smt. _____ Signs as

Pursuant to the resolution
of the Board of Directors
of the Company held on
_____ (Date)

Signed on behalf of
United Bank of India by -

For on behalf of
United Bank of India

(Name & Designation)

(Signature)

This _____ day of _____ 200__.