**Loan Agreement with Bank**

THIS AGREEMENT is made the ........ day of ........ in the year ….. BETWEEN the ........ AB Bank Ltd, a banking company having its registered office ........ at ........ (hereinafter called the BANK) of the ONE PART and Mr. ........ son of ........ residing at ........ and carrying on business under the name and style of hereinafter called the BORROWER of the OTHER PART.

WHEREAS the BANK through its branch at ........ has at the request of THE BORROWER agreed to grant him financial accommodation against his said business and for that purpose to allow him overdraft facilities through a cash credit account in the name of ........ up to the maximum limit of Rs. ................

NOW IT IS HEREBY AGREED by and between the parties as follows:

1. The BANK shall accommodate the BORROWER from time to time against his said business by overdraft as and when required by the BORROWER up to a maximum limit of Rupees ........ only inclusive of all interest and other charges, but nevertheless the liability of the BORROWER shall not be limited to the above maximum amount, if the borrowings inclusive of interest and other costs, charges and expenses exceed the aforesaid agreed limit.

2. The BORROWER shall pay interest on the said loan or advance at the rate of ........ per cent ........ on the daily balance of the said account and the same shall be debited in his said account on the last working day of each English month and form part of the principal and carry further interest at the said rate. In case the aforesaid limit is not availed of by the BORROWER or if for any reason whatsoever there is a credit balance in favour of the BORROWER, the BORROWER shall nevertheless remain liable to pay interest at the stipulated rate on Rs ................

3. That the account in the books of the BANK shall be conclusive proof against the BORROWER of the amount or amounts of the BANK. In addition to the stipulated interest the BORROWER shall pay to the BANK the following further charges also:

(i) usual incidental charges every six months;

(ii) usual commissions on foreign, that is, outstation cheques, drafts, etc. and other usual; and

(iii) customary charges.

4. The BORROWER has executed a relative pronote for the maximum limit of Rs ........ only carrying interest at the stipulated rate in favour of the BANK and has handed over the same to the BANK as security for the payment of any sum which may at any time be due to the BANK on the said cash credit account.

5. This agreement shall remain in force for a period of ........years from the date hereof, unless otherwise extended or determined by the BANK. The BANK shall be at liberty to refuse overdraft and stop making advances at any time without assigning any reasons whatsoever even without any prior notice in which event the BANK shall not be liable to pay any damages if suffered by the borrowers on that account.

6. On the expiry of the period specified in Para 5 above or at any time later or earlier, the BORROWER shall pay or cause to be paid to BANK on demand the balance then outstanding and owing to the BANK on the said cash credit account (inclusive of interest and all other charges and expenses) as found in the books of the BANK which the BORROWER has agreed to accept as sufficient and conclusive evidence as against him of the amount due from him and in the event of the said demand being neglected and/or not complied with, the BANK shall realise the amount or amounts due through civil process with all expenses and charges actually incurred.

IN WITNESS WHEREOF the parties hereto have at ........ signature the day and the year first above-written.

WITNESSES:

1. Adress; BORROWER

2. Adress; Agent/Manager

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