**Loan Agreement**This **LOAN AGREEMENT** executed at \_\_\_\_\_\_\_\_\_ this day of 200\_\_\_ Between **M/s. A. B. Constructions,** a registered Partnership Firm represented by its partners **(1) A B C** and **(2) X Y Z,** both of Mumbai, Indian Inhabitants, carrying on business at \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, hereinafter referred as **“THE BORROWER**” (which expression shall unless repugnant to the meaning or context thereof be deemed to include the partner/s for the time being of the firm, the survivors or survivor of them and the heirs, executors and administrators of the last surviving partner and their/his/her assigns) of the **FIRST PART; P Q R** having addressat \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, hereinafter referred to as “**THE** **LENDER”** of the **SECOND PART**; AND **D E F,** of Mumbai, Inhabitant, also carrying on business at \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, hereinafter referred as the “**THE** **GUARANTOR**” (which expression shall unless repugnant to the meaning or context thereof be deemed to and include his heirs, executors and administrators) of the **THIRD PART,**

WHEREAS at the request of the Guarantor and the Borrower**,** the Lender has agreed to lend and advance to the Borrower a sum of
Rs. 25,00,000/- (Rupees Twenty Five lacs only) as business loan carrying interest @ 15% per annum and on the terms and conditions appearing hereinafter.

NOW THESE PRESENTS WITNESSETH AND IT IS AGREED BETWEEN THE PARTIES AS UNDER:—

1. The Lender, at the request of the Guarantor and on his agreeing to guarantee repayment, has on the execution hereof lent and advanced to the Borrower the sum of Rs.25,00,000/- (Rupees Twenty five lacs only). The Borrower hereby confirms and acknowledges the receipt of the aforesaid amount of
Rs. 25,00,000/- (Rupees twenty five lacs only) by cheque
No. \_\_\_\_\_\_\_ dated\_\_\_\_\_\_\_\_ drawn on \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.

2. The Borrower shall repay the aforesaid loan of Rs.25 lacs (Rupees Twenty five lacs only) together with interest thereon @ 15% p.a. with quarterly rest on or before \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.

3. For due repayment of the aforesaid Loan amount, the Borrower and the Guarantor have executed in favour of and delivered to the Lender a Demand Promissory Note for Rs.25 lacs (Twenty five lacs) promising to pay the said amount with interest thereon at 15% p.a. with quarterly rest.

4. The Borrower has also delivered to the Lender their cheque post dated \_\_\_\_\_\_\_\_\_\_\_\_ for the said amount of Rs. 25 lacs and the Borrower and the Guarantor assure the Lender that the said cheque would be honored on its presentation on the due date in the first instance only. Towards payment of the quarterly interest on the said amount at the agreed rate of 15% p.a. the Borrower has also delivered to the Lender cheques post dated \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ for Rs.\_\_\_\_\_\_\_\_\_\_\_/- each drawn by it in favour of the Lender. The Borrower and the Guarantor also assure that each of the said cheques would be honored by them on presentation to their Bankers on the respective
due dates.

5. In the event of default by the Borrower in payment of the interest as agreed and as provided hereinabove, the Lender shall be entitled to call back the principal amount even before the due date and the Borrower shall forthwith pay the same.

6. The Guarantor unconditionally and irrevocably hereby guarantees the repayment of the aforesaid loan by the Borrower on the due date together with interest thereon as foretasted and the performance of the terms and conditions herein by the Borrower. In no circumstances, the guarantee shall stand discharged unless the repayment of the loan together with agreed rate of interest is made in full.

In witness whereof the parties hereto have hereunto set and subscribed their respective hands to this writing the day and year hereinabove written.

SIGNED AND DELIVERED BY THE )

WITHINNAMED **“THE BORROWER”** )

M/S. A.B. CONSTRUCTIONS, by its )

Partners (1) **A B C** and (2) **X Y Z** )

in the presence of… )

SIGNED AND DELIVERED BY THE )

WITHINNAMED **“THE LENDER”** )

**P Q R**  )

in the presence of ……… )

SIGNED AND DELIVERED BY THE )

WITHINNAMED **“THE GUARANTOR”** )

D E F )

in the presence of ……… )