

Loan Bond with Sureties and Lower Rate of Interest in Case Punctuality in Payment

THIS DEED is executed on this day of at between:

1. Mr. X s/o Mr. Y r/o , hereinafter called the debtor on the first part.
2. Mr. A s/o B, r/o ., and Mr. DC s/o RA r/o ., hereinafter jointly called the sureties on the second part, and
3. Mr. C s/o D, r/o , hereinafter called the creditor on the third part.

Whereas the creditor has agreed to advance a loan of Rs.5,00,000.00 to the debtor, which is to be repayable in four years with interest at the rate of 18% per annum, provided two persons stand as surety of the debtor.

And whereas sureties above named are ready to stand as sureties of the debtor.

NOW THIS DEED WITNESSES AS UNDER:

1. That in pursuance of the said agreement the creditor has advanced a sum of Rs.5,00,000.00 (Rupees five lacs only), the receipt of which has been acknowledged by the debtor.
2. The debtor shall repay the loan in five years in half yearly installments of Rs.50,000/- with interest at the rate of 12% per annum.
3. That in case the debtor repays the installment of loan before at least 15 days of the due date, the interest shall be paid at the rate of 10% per annum.
4. That in case of failure on the part of the debtor or repay the loan and interest or its part thereof, the sureties shall be liable to repay such unpaid amount of loan and interest, for which sureties are agreed.

We the above noted parties have signed this deed on the date and place mentioned above, after fully understanding the contents of this deed in the presence of the following witnesses.

- | | | |
|----|---------|--------------|
| 1. | Name | Signature .. |
| | Address | Debtor |
| 2. | Name | Signature |
| | Address | Surety |
| 3. | Name | Signature. |
| | Address | Creditor |