

Memorandum of Agreement dated this ____ day of _____ executed by _____ hereinafter called the borrower (which expression shall mean and include all his/her/its/their respective heirs, legal representatives, executors, administrators, assigns, transferees, attorneys and successors in interest) in favour of **VIJAYA BANK**, a body corporate constituted under the Banking Companies (Acquisition and Transfer of Undertakings) Act 1980, having its Head Office at Bangalore and amongst others a branch at hereinafter called the Bank (which expression shall mean and include all its assigns and successors in interest)

1. That in consideration of the agreements and covenants on the part of the borrower hereinafter contained and also any or all other agreements, undertaking, securities, Demand Promissory Notes, other Negotiable Instruments, etc. (all of which are hereinafter together called 'the loan documents') executed or entered into by the borrower with or in favour of the Bank, the Bank has agreed to grant an accommodation to the borrower in the form of an account current in the name of the borrower (hereinafter called the said account), which the borrower may overdraw to the extent of Rs. _____ (Rupees _____ only) hereinafter called the said limit.
2. That the said account will be operated upon by issue of cheques by the borrower or by such persons duly authorised by the borrower in that behalf. The borrower agrees and undertakes that the amounts borrowed by the borrower, under the said account will be utilised exclusively for the purpose for which the said facility of over drawing the said account was sanctioned and for no other purpose. The borrower, further agrees that if at any time the bank apprehends or has reasons to believe that the borrower has violated or is violating the said undertaking the bank shall have the right to recall the amount then due to the Bank under or in respect of the said account or any part thereof at once, notwithstanding anything to the contrary Contained herein or in any other agreement or document whatsoever.
3. That the Bank will issue a Pass Book / Statement of Account in respect of the said account and all entries therein will be made under the initials of some responsible officer of the Bank and if a Pass Book is issued the borrower will send the Pass Book once at least every month to the Bank for all entries to be made therein up to date.
4. That the borrower shall pay interest @ ____ % p.a. or at such other rates as may be fixed by the bank from time to time on the daily balances in the said account.
5. That in case of default in payment of interest on the due date or in case of the entire amount due in the said account is recalled by the Bank or in case the said account become irregular due to the borrower failing to make up the margin to be maintained by the borrower between the outstanding balance in the said account and the value of the other securities, if any given to secure the said limit or on account of excess borrowing due to overdraw of the limit and/or drawing power not being available or for any other reason whatsoever, the borrower shall pay

additional interest at the rate of @ ___ percent per annum on the amounts in default from the date of default, on the amount outstanding from the date of demand and on the amount of excess borrowing from the date the account becomes irregular.

6. That such interest will, during the time the said account runs, be calculated at the end of every _____ and added on to the principal amount without any notice to the borrower, and after such addition, it will form part and parcel of the principal amount.
7. That notwithstanding anything contained here in before, the Bank may at any time increase the rates of interest and/or additional interest payable by the borrower as above and/or change the periodicity of charging such interest and/or additional interest, whereupon this Agreement shall operate as if such increased / changed rate of interest and / or additional interest and / or periodicity of charging interest / additional interest had always been mentioned in this Agreement.
8. The borrower shall pay interest at the rate of _____ percent per annum over the VIJAYA BANK's prime lending rate of interest as may be fixed by the Bank from time to time subject of a minimum of _____ per cent per annum on daily balances with monthly / quarterly / half yearly / yearly rates, such interest being added to the balance outstanding on the last working day of every calendar _____ (mention month / quarter / half year / year, etc., as appropriate) and the said interest if unpaid will become part of the amount advanced and bear further interest at the same rate. The borrower agrees that the Bank is entitled to charge a higher rate of interest than the rate stated above as per the Vijaya Bank prime lending rate of interest fixed by the Bank from time to time and the Bank's rules and agrees to pay interest at such enhanced rate of interest. The borrower hereby waives notice regarding the change of interest. [Delete the clause if the rate is not linked to PLR].
9. That on the ___ day of ___ or any later date as may be permitted by the Bank, or on demand being made the Bank on any earlier date, the borrower shall pay to the Bank the balance then outstanding and owing to the Bank under the said account inclusive of interest till the date of payment in full with all costs, commitment charges, insurance premium, postal charges including stamps and other expenses charged or incurred by the Bank as ascertained by the books of Bank, which the borrower agreed to accept as sufficient proof of correctness thereof without production of any other book or voucher.
10. Notwithstanding the provisions contained in Sections 59, 60 and 61 of the Indian Contract 1872, the borrower/s, agree/s that, payment made by him/them to the Bank and all the moneys received/realised by the Bank shall be appropriated by the Bank in the first instance towards interest, service charges commitment charges, costs, commission, discount, insurance premium, postal charges including stamps and other expenses and other moneys debited and which debitable to the accounts and the balance, if any, to the principal. The borrower/s further agrees and authorises the Bank to appropriate all the moneys received/realised towards any of several debts due by him / her / them in order of time, whether they are or they are not barred by the law in force for the time being as to the limitation of suits and if debts are of equal standing to appropriate moneys received / realised in discharge of each proportionately.

11. That the Bank will always be at liberty to stop allowing drawing in the said account at time without previous notice and without assigning any reason even though the said I has not been fully availed of.
12. The borrower/s agree that if the Bank apprehends or it has reason to believe that the borrower has used the loan amount for purposes other than for which the loan is sanctioned, or that the performance of the borrowing unit is not satisfactory, or for any such other reasons considered necessary, the Bank will have right at its absolute discretion, to recall the entire loan amount or any part thereof at once, not withstanding anything to the contrary contained in this, or any other document / agreement and without any prejudice to the Banks right to legal recourse as per security documents.
13. That this agreement and all other loan documents operate as continuing security for the balance due in the Bank from time to time, and also for the ultimate balance to become due in the said account and the said account is not to be considered exhausted by reason of the said account being brought to credit at any time or from time to time or of its being drawn upon to the full extent of the said limit, if afterwards being opened by a credit.
14. That this agreement and the loan documents shall operate and continue as security for all the indebtedness and liabilities present or future of the borrower whether singly or jointly with other or others at any of the offices of the Bank and the Bank is at liberty to appropriate any credit balance in the said account towards the discharge of any such other indebtedness and liabilities of the borrower.
15. (i) The borrower/s hereby agree and give consent for disclosure by the Vijaya Bank of all or any such
 - a) information or data relating to the borrower.
 - b) information or data relating to any credit facility availed of / to be availed by the borrower and
 - c) default, if any, committed by the borrower in discharge of its obligation.

as the Bank may deem appropriate and necessary, to disclose and furnish to Credit Information Bureau (India) Ltd. and any other agency authorized in this behalf by RBI.

(ii) The borrower declares that the information and data furnished by the borrower to the Bank are true and correct.

(iii) The borrower, undertakes that

- a) The Credit Information bureau (India) Ltd and any other agency so authorized may use, process the said information and data disclosed by the bank in the manner as deemed fit by them and
- b) The Credit Information Bureau (India) Ltd. and any other agency so authorized may furnish for consideration the processed information and data or products thereof prepared by them, to banks/financial institutions and other credit grantors and registered users as may be specified by Reserve Bank of India in this behalf,

16. The borrower shall not induct a person, who is director on the board of a company which has been identified as wilful defaulter and in case such a person is found to be on the board of the borrower company, it would take expeditious and effective steps for removal of the person from the Board.
17. That unless expressly excluded by the context (i) all words in plural shall also mean and include corresponding words in singular and vice versa, and (ii) all words in masculine gender shall also mean and include corresponding words in feminine gender, with necessary grammatical changes following in the other connecting and related words and phrases.

In witness where of this agreement is executed by the borrower on this day of _____

SIGNATURE