**DRAFT OF LOAN AGREEMENT**

**LOAN AGREEMENT BETWEEN**

**[Borrower\_Name]**

**AND**

**[Lender\_Name]**

**THIS AGREEMENT is made and entered into at [Location] on this [Day] day of [Month], [Year], BETWEEN [Lender\_Name], hereinafter referred to as "the Lender," AND [Borrower\_Name], hereinafter referred to as "the Borrower" (collectively referred to as "the Parties"), and shall be binding on their respective heirs, legal representatives, executors, administrators, and assigns.**

**WHEREAS the Borrower has requested the Lender to grant a loan of Rs.[Loan\_Amount]/- (Rupees [Loan\_Amount\_In\_Words] only), and the Lender has agreed to advance the same upon the terms and conditions set forth herein;**

**AND WHEREAS the Parties wish to record the terms and conditions governing the loan in writing;**

**NOW THIS AGREEMENT WITNESSETH AS FOLLOWS:**

**1. \*\*Purpose of Loan\*\***

**The Borrower has requested and the Lender has agreed to provide a loan amounting to Rs.[Loan\_Amount]/- (Rupees [Loan\_Amount\_In\_Words] only), which the Borrower shall utilize for the purpose of [Purpose\_Of\_Loan].**

**2. \*\*Loan Tenure\*\***

**The loan shall be for a period of [Loan\_Period] months/years, commencing from [Start\_Date] and ending on [End\_Date].**

**3. \*\*Repayment Terms\*\***

**The Borrower agrees and undertakes to repay the loan in [Repayment\_Terms] installments over the loan tenure. The mode of repayment shall be [Repayment\_Mode] to the Lender’s designated bank account or such other method as may be mutually agreed upon.**

**4. \*\*Interest\*\***

**The loan shall carry interest at the rate of [Interest\_Rate]% per annum, calculated on [Interest\_Basis]. Interest shall be payable on [Interest\_Payment\_Frequency].**

**5. \*\*Prepayment and Part Payment\*\***

**The Borrower shall be [Prepayment\_Allowed] to make prepayments or part payments without any penalty, provided prior notice is given to the Lender.**

**6. \*\*Late Payment Penalty\*\***

**In the event of delay in repayment of any installment beyond the due date, the Borrower shall be liable to pay a late fee of [Late\_Penalty] for each week/month of delay.**

**7. \*\*Security (if any)\*\***

**The loan shall be [Secured\_Unsecured]. If secured, the security shall consist of [Security\_Details].**

**8. \*\*Special Terms and Conditions\*\***

**[Special\_Clauses]**

**9. \*\*Governing Law and Jurisdiction\*\***

**This Agreement shall be governed by the laws of India. Any disputes arising out of or in connection with this Agreement shall be subject to the exclusive jurisdiction of the courts at [Jurisdiction].**

**IN WITNESS WHEREOF, the Parties have executed this Agreement on the day, month, and year first above written.**

**SIGNED AND DELIVERED by the Lender:**

**[Lender\_Name]**

**In the presence of:**

**[Witness\_1\_Name]**

**[Witness\_1\_Signature]**

**SIGNED AND DELIVERED by the Borrower:**

**[Borrower\_Name]**

**In the presence of:**

**[Witness\_2\_Name]**

**[Witness\_2\_Signature]**