

**Form – II  
(Terms 7(2))**

**Loan Agreement No.**

NAME OF THE SCHEME:.....

**CENTRAL WAQF COUNCIL**  
Central Waqf Bhawan,  
P-13 & 14, Pushp Vihar,  
Sector-6, Saket,  
Opposite Family Court,  
New Delhi –110 017

**LOAN AGREEMENT WITH**

.....  
.....  
.....

ON.....

(Date)

Scheme No.....

Loan Amount Rs.....

Dated.....

SL. NUMBER IN DOCUMENTS REGISTER .....

## LOAN AGREEMENT

THIS AGREEMENT made on ..... between the Central Waqf Council, a statutory body constituted by the Government of India under the Central Waqf Act, 1995, having its registered office at, Central Waqf Bhawan, P-13 & 14, Pushp Vihar, Sector-6, Saket, Opposite Family Court, New Delhi –110 017 (herein after called the ‘Council’ which expression shall, unless repugnant to the context or meaning thereof, include its successors and assigns) represented by its Secretary, Shri ..... of the one part, and (a) the ..... State Waqf Board ..... constituted under Section 9 of the Central Waqf Act, 1995 having its principal office at ..... represented by its Secretary, Shri ..... and (b) ..... Waqf, represented by its Mutawalli, Shri ..... (herein after called the ‘Borrowers which expression shall unless repugnant to the context or meaning thereof, include their successors and assigns) of the second part.

WHEREAS the Government of India, has sanctioned grant in aid to the Central Waqf Council for development of Urban Waqf Properties on basis of specific schemes. AND WHEREAS the Borrowers have represented to the Council that the Borrowers (b)..... Waqf, has obtained the sanction of Borrower (a), the ..... State Waqf Board, and later has given the sanction under Section 51(1) of the Waqf Act, 1995 both to secure loan and mortgage its property under their resolution dated..... for the purpose of development of Waqf property.....

AND WHEREAS the Borrower (b) with sanction of the Borrower (a) has or Borrowers have undertaken a scheme known as the ..... in the city of ..... in the State of ..... for the development/partly developed/under developed land measuring ..... hectares situated within the Municipal limit of the city (hereinafter referred to as ‘the said scheme’); AND WHEREAS the principal features of the said scheme are set out in the first schedule hereto and the total investment for the complete implementation thereof has been estimated by the Borrowers at Rs..... lakhs

### FIRST SCHEDULE

All that pieces or parcels of land covering a total area of ..... hectares/acres situated in village ..... police Station ..... and Sub-Registry office..... in the District of ..... in the State of ..... comprised in the following Khasra numbers.

Khasra No.Area

Which said pieces or parcel of land are delineated in the map or plan annexed hereto and butted and bounded as follows that is to say.

On the North

On the East

On the South

On the West

AND WHEREAS THE BORROWERS had made application to the Council for grant of the total loan of Rs..... lakhs (Rupees.....only) for implementation and execution of the said scheme;

AND WHEREAS the Council in response to the aforesaid application of the Borrowers had agreed to grant a loan of Rs..... lakhs (Rupees.....only) hereinafter referred to as the loan on the terms and conditions hereinafter appearing for the implementation and execution of the said scheme;

NOW THEREFORE IT IS HEREBY AGREED BY and between the parties here to as follows: -1. The Central Waqf Council will lend and advance to the Borrowers the sum of Rs..... lakhs (Rupees ..... only) in instalments to be disbursed as provided hereunder subject to the terms and conditions hereinafter contained.

1(a) Except as the Council may otherwise agree in writing the loan will be advanced by the Council to the Borrowers in instalments as follows: -

| Number of Instalment | Date     | Amount (Rs. in lakhs) |
|----------------------|----------|-----------------------|
| First or             | on after |                       |
| Second               | -do-     |                       |
| Third                | -do-     |                       |
| Fourth               | -do-     |                       |
| Fifth                | -do-     |                       |
| Sixth                | -do-     |                       |
| Seventh              | -do-     |                       |
| Eighth               | -do-     |                       |
| Ninth                | -do-     |                       |
| Tenth                | -do-     |                       |

PROVIDED HOWEVER that the Council shall have absolute discretion at any time to reduce, cancel, alter or delay the disbursement of the said loan and/or instalments of loan amount and the dates of disbursements in any manner and may decline to disburse any and/or all the remaining instalments without assigning any reason therefore to the Borrowers and without being liable for any losses or damages.

2. Unless the Council may otherwise agree the disbursement of any of the instalments of the said loan at any time shall further be subject to the following conditions: -
- i.) The Borrowers shall have complied with the provisions of clause 4 hereof;
  - ii.) The availability of sufficient funds with the Council;
  - iii.) The Council being satisfied after such inquiry as it may think fit to make, and at its sole direction, that the implementation of the said scheme has made satisfactory progress and that the amounts already disbursed by the Council out of the said loan of Rs..... by previous instalment or instalments have been prudently, properly and satisfactorily utilised for the purpose for which the same were advanced. The payment of any such further instalments as aforesaid shall not amount, to acceptance by the Council of the prudent, proper and satisfactory utilisation of the previous instalment or instalments for the purpose(s) for which they were disbursed;
  - iv.) All advances made by the Council from time to time have been utilised by the Borrowers solely and exclusively to cover expenditure on the said scheme and have not been diverted for any other purpose;
  - v.) The investments required to be made by the Borrowers as per the agreed scheme have been made;
  - vi.) All payments due from the Borrowers to the Council as agreed to by the Borrowers have duly made and all amounts of 8 % Administrative Processing Cost as hereinafter provided have been duly paid up to date.
3. The decision of the Council as to whether or not there have been or are sufficient funds available as mentioned in clause 2(ii) above and/or whether or not the loan amounts have been prudently, properly and satisfactorily utilised by the Borrowers, shall be find and binding on the Borrowers.
4. PROVIDED HOWEVER, and it is hereby agreed that prior to the disbursement of the first instalment as provided hereinabove, the Borrowers shall furnish to the Council a guarantee from the Government of the State of ..... for the fulfilment of the obligations of the Borrowers in terms of this Agreement and for the due repayment of the principal amount and the 8 % Administrative Processing Cost together with the other monies herein mentioned and the Borrowers hereby declare that they have obtained approval of the Government for the purpose of furnishing of such guarantee in the form prescribed by the Council.

OR

PROVIDED HOWEVER, and it is hereby agreed that prior to the disbursement of first instalment as provided herein above the Borrowers shall furnish to the Council a guarantee from a nationalized or Subsidiary Bank acceptable to the Council (in the form and substance satisfactory to the Council) for the fulfillment of the obligations of the Borrowers in terms of the loan agreement and for due repayment of the principal amount and the amount of 8 % Administrative Processing Cost together with the other monies herein mentioned and the Borrowers hereby declare that they obtained the approval of the Guarantor Bank for the purpose of furnishing of such guarantee in the form prescribed by the Council.

OR

PROVIDED HOWEVER, and it is hereby agreed that prior to the disbursement of the first instalment as provided herein above, Unless otherwise agreed by the Council, the Borrowers shall create either a first mortgage by one or more deeds of mortgage (in form and substance satisfactory to the Council) or a first mortgage by deposit of title deeds (hereinafter referred to as the 'Mortgage) and continue to keep mortgaged till the final repayment of the entire loan, 8 % Administrative Processing Cost and any other monies as shall be due to the Council in pursuance of the terms of these presents, unencumbered properties owned and possessed by the Borrowers of the value not less than Rs..... Rupees..... only) provided, however, that the Council agrees to the Borrowers creating a first mortgage and keeping mortgaged as aforesaid properties of a value not less than Rs..... whenever an amount less than Rs..... remains due (or shall become due upon the disbursement of instalments as provided hereinabove) or shall otherwise be outstanding for repayment to the Council so, however, that at no time shall the borrowers keep properties mortgaged as aforesaid of a total value less than 133-1/3% of the total amounts outstanding from the Borrowers for repayment to the Council.

- 5 (i) Except as the Council may otherwise agree in writing and subject to such conditions as may be imposed by the Council the Borrowers shall jointly or severally pay, credit and/or make over to the Council immediately, on collection all receipts, recoveries and realizations on account of advance deposits, hire purchase instalments, rentals, any premium and/or sale proceeds of land/houses, etc. covered by the said scheme. The money so received by the Council shall be applied towards the repayment programme as set out in sub-clause (ii) below:
- (ii.) The Borrowers shall repay the loan, except as the Council may otherwise agree in writing, in accordance with the following repayment schedule:

| Number of Instalment | Date     | Amount (Rs. in lakhs) |
|----------------------|----------|-----------------------|
| First or             | on above |                       |
| Second               | -do-     |                       |
| Third                | -do-     |                       |
| Fourth               | -do-     |                       |
| Fifth                | -do-     |                       |
| Sixth                | -do-     |                       |
| Seventh              | -do-     |                       |
| Eighth               | -do-     |                       |
| Ninth                | -do-     |                       |
| Tenth                | -do-     |                       |
| Eleventh             | -do-     |                       |
| Twelfth              | -do-     |                       |
| Thirteenth           | -do-     |                       |
| Fourteenth           | -do-     |                       |

|             |      |
|-------------|------|
| Fifteenth   | -do- |
| Sixteenth   | -do- |
| Seventeenth | -do- |
| Eighteenth  | -do- |
| Nineteenth  | -do- |
| Twentieth   | -do- |

(iii.) It is clearly understood that notwithstanding anything contained in this clause the entire amount due to the Council under this agreement shall be repaid by the Borrowers by..... or any other dated as may be agreed to in writing by the Council irrespective of the success or failure of the said scheme or the purpose for which the loan has been taken from the Council.

6 (a) The Borrowers shall pay to the Council 8 % Administrative Processing Cost on the loan being released by the council before releasing of the 1<sup>st</sup> instalment of loan and remaining before releasing the next instalment of loan and the loan should be repayable in 10 equal six monthly instalments in five years with one year moratorium.

PROVIDED THAT:

- i.) The Council shall have the right to vary the aforesaid rate of 8 % Administrative Processing Cost on the loan amount or part thereof at the time of release of such amount by giving prior written notice to the Borrowers of such a variation.
  - ii.) In the event of default of regular payment of 8 % Administrative Processing Cost on the due dates, the Borrowers without prejudice to the right of the Council to call in the loan as hereinafter provided, will pay double 8 % Administrative Processing Cost at the same rate as on the principal loan on the monies due, and;
  - iii.) In the event of default in the payment of the instalment of loan and/or 8 % Administrative Processing Cost on the due dates the borrowers without prejudice to the right of the Council to recall the loan as here in provided shall pay (except as the Council may otherwise agree in writing) additional 8 % Administrative Processing Cost at the penal rate of 2½ (two and one half percent) per annum on such over due payment.
- (b) In all such cases in which it shall be necessary to compute the amount of 8 % Administrative Processing Cost or any other charges which shall accrued under these terms and conditions for a period of less than three months, such computation shall be made on a daily basis using a 365 day factor. In the case of even periods of three months such computation shall be made on the annual basis.
  - (c) The Borrowers shall also pay to the Council all costs (including as between an attorney and client) stamp duty, if any, charges and expenses which the Council has incurred and/or is liable to pay in connection with and/or incidental to the Council having agreed to grant the said loan and in connection with or enforcement of any of the terms and conditions herein contained.

7. The collection charges, if any, in respect of cheques issued by the Council irrespective of the place where the drawee bank is situated shall be born by the Borrowers and contribution in favour of the Council shall begin to accrue as from the date of such cheques. So far as

payment to be made by the Borrowers to the Council is concerned, the same shall be paid or remitted by the Borrowers to the Council at its office, at Central Waqf Bhawan, P-13 & 14, Pushp Vihar, Sector-6, Saket, Opposite Family Court, New Delhi –110 017 (Unless otherwise directed by the Council) in proper time and the Borrowers shall so arrange that the amounts in question are realizable by the Council at par on the due dates of the relative payment in New Delhi.

8. Except as the Council may otherwise agree, the Borrowers shall implement the said scheme strictly in accordance with the layout and design of the building and other construction details as set out in the schedule hereunder and also the cost estimates approved by the Council. Provided, however, that in case the construction cost, according to the accepted tenders, are likely to be higher than those approved by the Council, the Borrowers shall, with the approval of the Council, adopt suitable measures by changing designs of specifications or otherwise to ensure that the ceiling on costs prescribed by the Council are not exceeded
9. The Borrowers agree that the scheme will be executed through a Project Development Committee approved by the Central Waqf Council and that the amount of loan advanced by the Council for the scheme shall be kept in a Bank account exclusively opened for this purpose in the name of the Project Development Committee. The drawing and disbursing authority would be jointly vested in two members of the Project Development Committee neither of whom will operate the account singly.
10. The Borrowers agree and undertake to make necessary provisions for the execution of the scheme as per Council's guideline, issued from time to time.
11. The Borrowers undertake to ensure that the said scheme is duly carried out and shall complete the Work on the said scheme in the manner and according to the time schedule envisaged in the said scheme but not later than three years from the date of advance of the loan. The Borrowers further undertake to execute the said scheme with due diligence of efficiently in accordance with sound technical engineering and financial standards. The Borrowers undertake to give one month's advance intimation to the Council before completion of the construction envisaged in the scheme to enable the Council nominee (s) to carry out final inspection of the scheme. The borrowers agree to hold the Council indemnified in respect of any director for consequential loss, damage or prejudice suffered by it due to the failure or delayed in completion of the scheme as aforesaid.
12. The Borrowers undertake that the total physical targets of the scheme will not be reduced as a result of any possible increase in costs and that the additional finances if any required, will be arranged by it from its own resources.
13. The Borrowers shall maintain separate accounts of Receipts and Expenditure in respect of the said scheme and shall furnish to the Council every six months, by 30th June and 31st December, till the loan is fully repaid with all other dues, the six-monthly Report, Accounts and Budget and such periodical returns of its working and with regard to the utilisation of the amount of the loan and the progress of the scheme as may be required by the Council from time to time. The Borrowers shall not without the prior permission of the Council obtained in writing invest any part of the loan money advanced, by way of deposits, loans, share capital or otherwise in any concern. The borrowers will, however, be free to deposit any part of the loan money with a nationalized Bank and/or the State Bank of India.
14. The Borrowers shall make available for the inspection of the Council and/or its nominee(s) all its books of accounts and other books and documents maintained by it and/or required to

be maintained by it under any law, by laws or rules of the Borrowers and under the provisions of clause 13 above, and provide all facilities to the Council and/or its nominee(s) for the purpose of carrying out such inspections and render such explanation or elucidation as may be required by the Council and/or its nominee(s) and allow the taking of any copies of or extracts there from. The Council and/or its nominee(s) shall have the right to inspect any and

all locations of the said scheme and all the books of accounts, records and documents relating thereto at any time. The Borrowers agree and undertake to follow and give effect to all instructions or recommendations regarding standards and specifications of works, economy measures, maintenance of records, utilisation of the loan amounts and the dissemination of information concerning the scheme and activities of the Council as may be given or made by the Council from time to time. The Council reserves the right to recover in full from the Borrowers all the expenses incurred by it in connection with the inspection of such site works, books of accounts etc. by it and/ or its nominee(s).

15. The Borrowers agree and undertake to execute, sign, seal and deliver all documents, papers, acknowledgements and other writing as may be required by the Council at any time during the pendency of this Agreement with a view to more fully and effectively securing the monies due and payable or to become due and payable by the Borrowers to the Council in terms of these resents.
16. The Borrowers agree that the income accruing from the scheme after payment of taxes, contribution u/s 46 of the Waqf Act, 8 % Administrative Processing Cost and the repayment instalments as stipulated above, shall be utilised as follows: -
  - a) The Borrowers (b) of the second part viz., the Waqf.....will receive an amount from the income equal to the average income received during the three years immediately preceding the year in which the loan was advanced.
  - b) The Borrowers (b) of the Second part will be allowed further a reasonable amount from the additional income which would be fixed by the Chairman Central Waqf Council.
  - c) While utilizing the additional income, the objectives, if any, for which the .....Waqf has created shall receive first priority.
  - d) A depreciation fund shall be created by the Borrowers out of the income earned; in which not less than 1% of the cost of the building shall be contributed annually.
  - e) Provision shall also be made by the Borrowers for annual and special repairs fund at 6% annually of the gross income.
  - f) The building shall be kept adequately insured by the Borrowers, so as to cover the cost of the building.
  - g) The remaining portion of the additional income will be spent on such educational and social welfare activities as may be conducive to the betterment of the community, with the approval of the Central Waqf Council.
  - h) To ensure proper utilisation of the additional income generated by the scheme, the Borrowers shall prepare a well considered scheme in consultation and agreement with the Central Waqf Council.



- i) In case there is any difference of opinion between the parties subscribing to this Agreement under sub-paras (a) to (i) above, the decision of the Chairman, Central Waqf Council, shall be final and binding on all parties concerned.
17. The Borrowers further agree that all the conditions contained in the loan sanction letter No..... dated....., shall extend and be applicable to this Agreement and shall be deemed to have been incorporated in the Agreement.
18. In the event of the Borrowers failing to fulfill any of the obligations under this Agreement, or in the event of the Borrowers committing any breach of the terms and conditions herein, contained, or in the event of the Borrowers committing a default for a period exceeding 30 days in the payment of the instalment of the loan or the 8 % Administrative Processing Cost thereon amounting to at least Rs.10,000/- which shall be in arrears and unpaid for 30 days after becoming due, the entire principal amount of the loan together with all contributions, costs charges and expenses whatever then due, shall become immediately repayable by the Borrowers to the Council and upon being required to do so by notice in writing from the Council the Borrowers shall repay the entire amount due within 15 days for the receipt of such notice. The Council shall without prejudice to its other rights and remedies be entitled to take steps for recovery of the amounts due together with all costs charges and expenses incurred by the Council in connection with the negotiations and recovery of the loan. The 8 % Administrative Processing Cost will be the first charged for adjustment of the dues payable to the Council by the Borrowers.
19. The Borrowers shall ensure in the event of a mortgage under Clause 4 that the changed properties as are of an insurable nature shall be insured against the usual risks at the declared values with the General Insurance Corporation of India or any of its subsidiaries except as the Council may there wise agree in the joint name of the Borrowers and the Council as mortgager and mortgage respectively and lodge the original policy with the Council. The Borrowers shall further ensure that the premia in respect of such policies which expire..... polices obtained at least seven days before the expiry of each old policy.
20. No delay in exercising or omission to exercise any right power or remedy, accruing to the Council under the Agreement and no extension, accommodation consent, compromise, release or indulgency granted or shown by the Council, shall be construed as a waiver of any of the Council's rights, power or remedies hereunder.
21. Any notice required to be served on the Borrowers shall for the purposes of these presents be deemed to be sufficiently served if it is left at the respective principal offices of the Borrowers hereinabove mentioned and such notice shall also be deemed to be properly and duly served if is sent by post in a registered letter addressed to the Borrowers at the aforesaid address and such service shall be deemed to have been made at the time at which the registered letter would in the ordinary course by delivered even though returned unserved on account of the refusal of the Borrowers or any of them to accept such notice.
22. The Agreement will be deemed to have been executed in New Delhi and the loan will be advanced by the Council to the Borrowers in New Delhi. Civil Courts in New Delhi alone shall have jurisdiction to entertain any suit or matter arising out of this Agreement.

23. In witness whereof the parties hereto have set their hands to this Agreement as of the day, month and year noted below and the effective date of this agreement will be the last date mentioned below: -

***Signed by:***

- a) Shri ..... (Common Seal) for and on behalf of the ..... State Waqf Board. And the common seal of State Waqf Board is affixed in the presence of Shri .....
  
- b) Shri.....on behalf of .....Waqf, and the common seal of the Waqf in affixed in the presence of Shri.....and Shri.....dated.....signed by Shri..... for and on behalf of the Central Waqf Council, New Delhi.