

## HUNDI AGREEMENT

Stamp Paper Rs .....

WHEREAS, Sri ..... (herein after referred to as the purchaser) Residing at ..... Has approached the Karnataka Silk Marketing Board Ltd., Mysugar Building, J.C.Road, Bangalore – 560 002 (hereinafter referred to as the Company ) and

WHEREAS, the Company has agreed to supply silk yarn to Sri ..... This agreement is hereby executed by the Company represented by the Branch Officer / Manager Marketing / General Manager Marketing representing the Managing Director on the one part and by purchaser ..... on the other part.

The terms and conditions of the agreement are as follows:

1. The Company will supply to the purchaser on credit. The value of such purchase will not exceed Rs ..... (Rupees ..... ) per month and will not exceed Rs ..... (Rupees ..... ) at any given time.
2. The silk shall be supplied to the purchaser only he has acknowledge the receipt by signing on the bill and by accepting the Hundi.
3. The cost of Transport, Insurance, Packing and the cost of Hundi documents etc.. will be borne by the purchaser.
4. A maximum credit period of 90 days will be given to the purchaser. Interest at the rate specified by the company from time to time shall be payable by the purchaser. The purchaser agrees to pay penal interest at 5% over and above the normal rate of interest for the delayed payment.
5. (a) The Board is at liberty to initiate to recovery proceeding under the Karnataka Public Moneys (Recovery of dues ) Act 1979, Indian Revenue Recovery Act, irrespective of the place transaction.
- 5 (b) In the event of any default in payment of the amount due or other charges by the purchaser hereby agrees to pay 3% overdue amount towards recovery charges to the Company.
- 5 (c) The Board at liberty to initiate Recovery proceedings in event of default of payments /dishonor of Hundies in the manner know to it without issuing any Notice.
- 5 (d) For any dispute arising out of this agreement and any transactions in connection with this agreement the courts of Jurisdiction will be that of Bangalore.

- 6 The purchaser will be responsible for any consequence that may arise as a result of non - payment after the date of maturity of the Hundi.
- 7 (a) The purchaser shall be responsible to make good the expenditure incurred by the Company either for non – performance of this agreement or for non- payment of the money involved in Hundi or Cheque on the prescribed date shall make good the same to the Company.
- 7 (b) The purchaser Sri ..... Shall make good the same to the company with in the 15 days from the date of default or the date of dishonor of Hundi failing which the Board is at liberty to initiate to recovery proceedings without issue any further Notice.
- 8 Goods once sold will not be taken back or exchanged.
- 9 Purchaser agreed to make prompt payment. If the purchaser does not honor any 5 Invoices in a financial year, he is not eligible for credit facility for a period of 3 months.
- 10 Not withstanding any things contained in any document company at its discretion reverses the right to amend, alter the terms and conditions mentioned explicitly or otherwise or cancel / withdraw all or any of the limits sanctioned at any time at its sole discretion without assigning any reasons whatsoever . These limits shall not be operative until proper documents are executed and the terms and conditions of sanction are complied with. The Credit limits shall not be exceeded.

This agreement is signed by Sri..... Purchaser and Sri .....  
 ..... Branch Officer / Manager (Marketing / General Manager  
 (Marketing) for an on behalf of the Company, on this day ..... Of  
 Month ..... 2002 in the presence of the following witnesses.

(EXECUTORS – PURCHASER)

(EXECUTOR – MANAGER(MKTG)  
 BRANCH OFFICER  
 GENERAL MANAGER (MKTG)  
 KSMB LTD., BANGALORE.

Signature of witness  
 With Name & Postal Address

- 1.
- 2.