

Debt Compromise Agreement

This deed of compromise is entered into between [Mr. Creditor Name], [S/o. Creditor's Father Name], residing at [Creditor Address Line 1, Creditor Address Line 2, City, State, Pincode] (hereinafter called the Creditor) and [Mr. Debtor name], [S/o. Debtor Fathers Name], residing at [Debtor Address Line 1, Debtor Address Line 2, City, State, Pincode] (hereinafter called the Debtor) on this day of [Day, Month, Year].

WHEREAS the debtor has taken a loan of Rs. [Original Loan Amount] from the creditor on [Date Loan Was Taken] with an interest rate of [Interest Rate per annum] per annum.

WHEREAS the aforesaid loan was payable by the debtor on or before [Loan due date].

AND WHEREAS the debtor has failed to repay the loan and interest thereon and the creditor, in order to recover his loan, has agreed to accept a total amount of Rs. [Final Settlement Amount] in full satisfaction of the said loan and interest thereon.

NOW THIS DEED OF COMPROMISE WITNESSES AS FOLLOWS:

1. That the debtor has paid an amount of Rs. [Final settlement amount] to the creditor on [Settlement date], the receipt of which the creditor hereby acknowledges.
2. That the creditor has accepted the aforesaid amount in complete satisfaction of the amount of loan and interest thereon.
3. That the creditor, now has no claim against the debtor in respect of the aforesaid loan.
4. That the debtor is hereby discharged from his liability of repayment of the amount of loan and interest thereon.

In witness whereof both the creditor and debtor have signed this compromise on the [Date, Month, Year] first before mentioned.

For Debtor,

[Name]

[Address Line 1]

[Address Line 2]

[City, State, Pin Code]

For Creditor,

[Name]

[Address Line 1]

[Address Line 2]

[City, State, Pin Code]

Witness 1:

[Name]

[Address Line 1]

[Address Line 2]

[City, State, Pin Code]

Witness 2:

[Name]

[Address Line 1]

[Address Line 2]

[City, State, Pin Code]