

IN-LDGloa16

Loan agreement: company; secured on financial instruments

Borrower: [Name]

Lender: [Name]

Date: [Date]

3.5. the execution of this agreement, the borrowing, and the performance by the Borrower of its obligations are fully [REDACTED], [REDACTED], [REDACTED].

3.6. the Financial Information fairly represents the financial state of [REDACTED].

3.7. the Financial Information has been prepared in conformity with generally accepted accounting principles applied [REDACTED], [REDACTED].

3.8. the Borrower has no undisclosed contingent obligations.

3.9. there are no material, [REDACTED].

3.10. the Borrower will advise the Lender [REDACTED].

3.11. no litigation, arbitration proceedings or governmental proceedings are pending [REDACTED], [REDACTED], [REDACTED].

3.12. none of the assets of the Borrower is subject [REDACTED], [REDACTED].

3.13. the Borrower has filed all tax returns, [REDACTED], [REDACTED].

3.14. the proceeds of the [REDACTED] [REDACTED].

4. Amount of Loan and Advances

4.1. The Initial Loan [] .

4.2. The Loan shall be advanced in [] .

OR

4.3. The Loan shall be drawn [] .

OR

4.4. The initial draw down of the Loan shall [] .

AND/OR

4.5. Before any new Advance may be drawn [] / [] , [] :

[specify information required].

5. Security

5.1. The Borrower pledges [] .

5.2. The Securities are listed in Schedule 1 where each is marked [] . [] . [] .

5.3. Whilst ever any part of the Loan remains outstanding, [] . [] .

5.4. If the Borrower is asked to transfer title in a [] , [] , [] .

7. Repayment

7.1. The Loan shall [] .

OR

7.2. The Loan shall be 2 .

OR

7.3. The Loan shall be :

[here set out the trigger events, such ,].

7.4. The Loan may be repaid in , :

7.4.1 in multiples of Rs [number];

7.4.2 a minimum of Rs [number];

7.4.3 applied to any instalments .

7.5. The Borrower may, not more than once in every [two calendar months], demand a statement from the Lender , , , .

7.6. All payments due to the Lender of both capital and interest shall .

7.7. The Borrower may repay all or part of the Loan before the due date for Repayment provided that .

.....
.....

8. No change to capital structure and administration

Until the Loan
:

- 8.1. make any share issue by way
.....
;
- 8.2. issue new share capital nor modify the rights attaching to
.....
.....
.....;
- 8.3. reduce its share capital or any uncalled
.....,
.....;
- 8.4. change the location
.....;
- 8.5. Its undertaking or any fixed asset
..... [000];
- 8.6. change its accounting system
.....;
- 8.7. make any other
.....

9. Event of Default

An "Event of Default" occurs when:

- 9.1. the Borrower fails to pay in full and on the
..... [.....
.....]
.....;
- 9.2. a petition is presented
.....;

13. Promise to provide information

.....
.....
.....,,,
.....,

13.1. [.....] /,
.....
..... 3 ;

13.2. [.....],
..... (.....)
..... ;

13.3.
..... ;

13.4.
..... .

14. The Guarantor

The Guarantor agrees:

14.1.
.....
..... ;

14.2.
..... ;

14.3.
..... .

Signed by [personal name] on behalf of [named Lender] as its / his representative who personally accepts liability for the proper authorisation by [named Lender] to enter into this agreement.

Signed by [personal name] on behalf of [named Borrower] as its / his representative who personally accepts liability for the proper authorisation by [named Borrower] to enter into this agreement.

Signed by [Guarantor name]

Schedule 1: the Securities

1

2

3

4

Schedule 2: Loan Repayment

Dates

Amount to paid

■ ■ ■ ■ - ■ ■ ■ ■ - ■ ■ ■ ■

■ ■ ■ ■ ■ ■ ■ ■

■ ■ ■ ■ - ■ ■ ■ ■ - ■ ■ ■ ■

■ ■ ■ ■ ■ ■ ■ ■

■ ■ ■ ■ - ■ ■ ■ ■ - ■ ■ ■ ■

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■ ■ ■ ■ - ■ ■ ■ ■ - ■ ■ ■ ■

■ ■ ■ ■ ■ ■ ■ ■

Schedule 3: example financial report

[.....
.....].

Provides for alternative draw down arrangements. The

If the Lender requires further information, you

A provision for scheduled repayments by date is usually simplest to administer. If you go for other trigger events, they should be carefully

5. Security

We have no idea what securities will be lodged as security. Shares in a private company are usually evidenced by a certificate. Shares in public companies are

To strengthen the lender's position, we have provided for the possibility of securities being transferred into the name of the lender for the duration of the loan. This will not always be possible or practical. We have therefore also provided for the lender to be able

If the security or part of it, is quoted publicly and falls

6. Interest payable

The provision for cumulation of interest should have careful attention, particularly if the interest rate is high. Cumulation has the effect of adding the interest to the capital, so that the (.) .

7. Repayment

