IN-LDGloa17

Loan agreement: company borrower; secured on physical assets, guarantor option

Borrower: [Name]

Lender: [Name]

Date: [date]

This agreement is dated [date] ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ :

[ABC] Limited, a company incorporated in the Republic of India [Under corporate identification number [number] and] ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ [■ ■ ■ ■ ■ ■ ■ ■] (" ■ ■ ■ ■ ")

AND

[DEF] Ltd, a company incorporated in the Republic of India [Under corporate identification number [number] and] ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ [■ ■ ■ ■ ■ ■ ■ ■], (" ■ ■ ■ ■ ")

[Guarantor name] of [full ■ ■ ■ ■], (" ■ ■ ■ ■ ■ ■ ■ ■ ")

Background:

The purpose of this agreement is to set out the contractual terms under which the Lender will lend and the Borrower will borrow the sum of the Initial ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■

■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ .

“Interest Date”	means the date in each month ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ .
“Initial Loan”	means the principal sum agreed to be lent ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ .
“Loan”	means the total amount of money outstanding at any time and due ■ .
“Repayment”	means a sum paid by the Borrower to the Lender which has ■ .
“Security”	means all goods accepted by the Lender from time to ■ .
“Superdigger”	means the two items of [David Brown plc] plant by that name to be bought by the Borrower using the Loan, or ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■

2.4. A reference to a paragraph or schedule is to a paragraph or schedule to this agreement unless the context ■ ■ ■ ■ ■ ■ ■ ■ . ■ ■ ■ ■ ■ ■ ■ ■

[redacted].

3.4. every subsidiary and associated company of the Borrower is authorised to accept the liabilities set out [redacted].

3.5. the execution of this agreement, the borrowing, and the performance by the Borrower of its obligations are fully within the Borrower's legal authority, are not in breach of the articles of association of the Borrower, and do [redacted].

3.6. the Financial Information fairly represents the financial state of the Borrower at the date of this agreement knowing that [redacted].

3.7. the Financial Information has been prepared in conformity with generally accepted accounting principles applied on a basis consistent with that of preceding financial years, and that since its date [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], [redacted];

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3.14. the proceeds of the [redacted] [[redacted]].

4. Sum of Loan and Advances

4.1. The Initial Loan [redacted] [[redacted]].

4.2. The Loan shall be drawn down [redacted].

OR

4.3. The Loan shall be drawn [redacted].

4.4. Before any Advance may be drawn [redacted], [redacted] / [redacted], [redacted]:

[Specify information required].

OR

4.5. The Loan shall be drawn down [redacted].

OR

4.6. The initial draw down of the Loan [redacted].

5. Security

5.1. The Borrower pledges [redacted].

OR

5.2. The Borrower pledges as Security, the [vehicles / stocks / materials / other] listed in [redacted] 1. [redacted] [[redacted]

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[redacted]/[redacted]][redacted].

OR

5.3. The Borrower pledges as Security for the Repayment [redacted], [redacted][[redacted]/[redacted]/[redacted]/[redacted]][redacted]1.

5.4. All the Security [redacted]:

5.4.1 keep the Security [redacted][[redacted]];

5.4.2 insure the Security [redacted];

5.4.3 maintain the Security in good and clean condition;

5.4.4 comply fully with the manufacturer's instructions, the [[redacted]][redacted], [redacted][[redacted]];

5.4.5 comply with [shipping / other] [redacted].

5.5. The Lender acknowledges receipt of [redacted]1[redacted].

5.6. The Lender will keep [redacted][[redacted]/[redacted], [redacted]].

5.7. The Lender will insure [redacted][[redacted]].

6. Loan condition: use by Lender

6.1. It is a condition of this Loan that the Lender may have [redacted][[redacted]][redacted][[redacted]][redacted]:

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6.1.1 the total number of days [redacted] [[redacted]];

6.1.2 the condition lapses when [redacted] , [redacted] ;

6.1.3 the Lender shall pick up the Superdigger from the premises [redacted] , [redacted] ;

6.1.4 the Superdigger shall be returned to the premises of [redacted] , [redacted] ;

6.1.5 the Lender shall insure [redacted] ;

6.1.6 The Lender shall allow the Superdigger to [redacted] , [redacted] ;

6.1.7 at all times that the Superdigger is in [redacted] , [redacted] , [redacted] ;

6.1.8 the Lender now agrees to indemnify the Borrower against all claims, costs and [redacted] , [redacted] .

7. Interest payable

7.1. Interest at the [redacted] .

OR

7.2. Interest at the rate [number] per cent [redacted] .

7.3. Interest shall be [redacted] [[redacted]] [redacted] [[redacted]].

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7.4. Interest shall be [redacted] [[redacted]] [redacted].

7.5. Interest shall be calculated [redacted].

AND / OR

7.6. If and so long as the Borrower complies [redacted], [redacted].

8. Repayment

8.1. The Loan shall [redacted] [[redacted]] [redacted].

OR

8.2. The Loan shall be [redacted] 2.

OR

8.3. The Loan shall be repaid subject to the following events and in the sums [redacted] [[redacted], [redacted], [redacted]. [redacted]]

8.4. The Loan may be repaid in [redacted], [redacted]:

8.4.1 in multiples of Rs [number];

8.4.2 a minimum of Rs [number];

8.4.3 applied to any instalments [redacted].

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

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[redacted].

8.6. All payments due to the Lender of both capital and interest shall [redacted].

8.7. The Borrower may repay all or part of the Loan before the due date for Repayment provided that [redacted]. [redacted].

9. No change to capital structure and administration

Until the Loan [redacted]:

9.1. make any share issue by way [redacted];

9.2. issue new share capital nor modify the rights attaching to [redacted];

9.3. reduce its share capital or any uncalled [redacted], [redacted];

9.4. change the location [redacted];

9.5. sell its undertaking or any fixed [redacted] [000];

9.6. change its accounting system [redacted];

9.7. make any other [redacted].

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10. Event of Default

An “Event of Default” occurs when:

10.1. the Borrower fails to pay in full and on the [redacted] [redacted]] [redacted] ; [redacted]

10.2. a petition is presented [redacted] ; [redacted]

10.3. the Security is dealt with by [redacted] ; [redacted]

10.4. the Security is lost or damaged whilst in the possession of [redacted] , [redacted] , [redacted] ; [redacted]

10.5. in the opinion of the Lender, [redacted] ; [redacted]

10.6. If the Borrower is a company:

10.6.1 a receiver is appointed to the Borrower; or

10.6.2 [redacted] ; [redacted]

10.6.3 [redacted] .

11. Notice of Default

11.1. [redacted] “ [redacted] ”. [redacted] , [redacted] .

11.2. [redacted] , [redacted]

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[redacted].

11.3. [redacted], [redacted].

12. Consequences of Default

[redacted]:

12.1. [redacted], [redacted].

12.2. the Borrower hereby irrevocably agrees that:

12.2.1 [redacted] [60] [redacted];

12.2.2 [redacted];

12.2.3 [redacted], [redacted], [redacted], [redacted];

12.2.4 [redacted] [24] [redacted], [redacted].

12.3. [redacted] [28] [redacted], [redacted]:

12.3.1 [redacted];

12.3.2 damages for any breach of this agreement;

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12.3.3 [redacted] / [redacted], [redacted].

13. Sale of Security

[redacted], [redacted], [redacted]:

13.1. [redacted], [redacted];

13.2. [redacted];

13.3. [redacted].

14. Assignment

14.1. [redacted], [redacted], [redacted].

14.2. [redacted].

14.3. [redacted], [redacted].

15. Promise to provide information

[redacted], [redacted], [redacted]

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[redacted]:

15.1. [redacted] [redacted] / [redacted], [redacted] 4;

15.2. [redacted] [redacted], [redacted] ([redacted] [redacted] / [redacted] [redacted]) [redacted], [redacted];

15.3. [[redacted]];

15.4. [redacted].

16. The Guarantor

The Guarantor agrees:

16.1. [redacted];

16.2. [redacted];

16.3. [redacted];

16.4. [redacted]. [redacted]

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[redacted], [redacted], [redacted];

16.5. [redacted] [28] [redacted];

16.6. [redacted].

17. Miscellaneous matters

17.1. [redacted], [redacted] - [redacted].

17.2. [redacted], [redacted].

17.3. [redacted].

17.4. [redacted], [redacted], [redacted].

17.5. [redacted], [redacted], [redacted], [redacted]. [redacted], [redacted].

17.6. [redacted], [redacted] ([redacted]

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[redacted], [redacted]) [redacted], [redacted] [[redacted] / [redacted]] [[redacted]]. [redacted], [redacted], [redacted].

17.7. [redacted].

17.8. [redacted], [redacted].

17.9. [redacted], [redacted], [redacted] - [redacted].

It shall be deemed to have been delivered:

[redacted]: [redacted];

[redacted]: [redacted] 72 [redacted];

[redacted] - [redacted] - [redacted]: [redacted] 24 [redacted] - [redacted]. [[redacted] - [redacted]. [redacted], [redacted]].

17.10. [redacted].

17.11. [redacted], [redacted].

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17.12. [redacted].

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]

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Schedule 1: the Securities

1. [Two David Brown Superdiggers].

2. Gold Krugerrand coins.

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Schedule 2: Loan Repayment

Dates	Amount to paid
■■■■-■■■■-■■■■	■■■■■■■■
■■■■-■■■■-■■■■	■■■■■■■■
■■■■-■■■■-■■■■	■■■■■■■■
■■■■-■■■■-■■■■	■■■■■■■■
■■■■-■■■■-■■■■	■■■■■■■■

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Schedule 3: example financial report

[[redacted] *].*

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Explanatory notes:

Loan agreement: company borrower; secured on physical assets, guarantor option

General notes

1. Registering a charge

Chapter VI, Sections 77 – 87 of the Companies Act, 2013 **(as amended)** deal with registration of charges by companies. The Companies are required to register all types of charges within or outside India, on its property or assets or any of its undertakings, whether tangible or otherwise with ROC within 300 days of creation in cases where the charge was created prior to the commencement of ■ ■ ■

■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ “ ■ ■ ■ ■ ■ ■ ■ ■ ” ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■

4. Sum of Loan and Advances

Provides for alternative draw down arrangements. The [redacted].

If the Lender requires further information, you [redacted].

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

5. Security

We have no idea what will be lodged as security. We advise simply [redacted].

6. Loan condition: use by Lender

This paragraph is an option. If you do not need, delete all. If you do [redacted].

7. 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 [redacted].

8. Repayment

We have provided a menu of suggestions. The actual [redacted].

9. No change to capital structure and administration

This is obviously an important provision for a corporate borrower. If the lender [redacted].

10. Event of Default

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Provisions for "what happens if things go wrong" are very important [redacted] .

11. Notice of default

We have no comment.

12. Consequences of default

Edit carefully to suit your requirement.

13. Sale of Security

The [redacted] .

14. Assignment

We have no comment.

15. Promise to provide information

It is a matter for the lender's choice what info he requires. [redacted] .

16. The Guarantor

Delete if no guarantor. Otherwise, [redacted] .

17. Miscellaneous matters

A number of matters each [redacted] .

Schedule 1: the Securities

List the securities [redacted] .

Schedule 2: Loan Repayment

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This covers the option mentioned in the agreement. ■ ■ ■