

LOAN AGREEMENT

THIS AGREEMENT made at _____ on this _____ day of _____
BETWEEN

_____ (**name of the borrower**), incorporated under the Companies Act, 1956, having CIN _____ and having its registered office at _____ (hereinafter referred to as the "**Borrower**" which expression shall, unless repugnant to the context or meaning thereof, include its successors and permitted assigns) of the **ONE PART**

AND

National Bank for Agriculture and Rural Development, a body corporate, established under National Bank for Agriculture and Rural Development Act, 1981 and having its Head Office at C-24, 'G' Block, Bandra-Kurla Complex, Bandra (East), Mumbai – 400 051 and one of its Regional Office at _____ (hereinafter referred to as "**Lender**" or "**NABARD**", which expressions shall, unless repugnant to the context and meaning thereof, mean and include its successors and assigns) of the **SECOND PART**.

W H E R E A S

1. The Borrower is in the process of setting up Mega Food park project at _____ with Central Processing Centre ("CPC") _____ and Primary Processing Centres ("PPC") at locations near _____ providing Core Processing Facilities Factory Buildings for Micro and Small Enterprises, Enabling Basic infrastructure and Non-Core Infrastructure to be set up in the Mega Food Park (the "**Project**") which aims to provide state of art infrastructure facilities for the food processing along the value chain from the farm to the market, in accordance with the guidelines issued by Ministry of Food Processing Industries ("MoFPI") from time to time in relation to the Mega Food Parks Scheme ("MFPS") and the modifications approved thereto.

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2. The Borrower approached the Lender with a request to sanction to it financial assistance of INR _____ lakhs (Indian Rupees _____ Only) for establishing the Project.

3. The Borrower submitted its project proposal vide its loan application/letter dated _____ to the Lender and subsequently series of discussion/correspondence took place between the Borrower and the Lender from time to time.

4. The Lender is agreeable to sanction to the Borrower, a term loan for the Project of the said Borrower subject to the terms and conditions set out herein as well as the Lender's sanction letter bearing Ref. No. _____ dated _____ and the terms and conditions contained therein, along with the Special Terms and Conditions specific to financial assistance to the Borrower (hereinafter referred to as "STC") and General Terms and Conditions applicable to loans provided under NABARD's Food Processing Fund as applicable from time to time (hereinafter referred to as "GTC"), which shall form a part and parcel of this Agreement as it's **Schedules V and VI** respectively, as amended, varied, modified and/or supplemented from time to time (collectively "**Sanction Letter**").

NOW THEREFORE THIS AGREEMENT WITNESSTH THAT:

In consideration of NABARD having advanced / agreed to advance a term loan of INR _____ lakhs (Indian Rupees _____ Only) (the "**Loan**") to the Borrower as stated herein below, to enable the Borrower to carry out the purpose for which the said financial assistance is granted i.e., establishment of the Project, the parties hereby agree, record and confirm the terms and conditions contained hereinafter upon which the Loan is sanctioned/granted:-

ARTICLE - I
DEFINITION, INTERPRETATION, GTC AND STC

- 1.1 The following terms shall have the following meanings :

Borrower	Lender
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- (a) “**Agreement**” means this agreement.
- (b) “**Completion Date**” means _____.
- (c) “**Financial Plan**” means the financing plan as described in **Schedule II** hereto.
- (d) “**Project**” means the project to be financed as mentioned in the abovecited Sanction Letter and fully described in **Schedule I** hereto.
- (e) “**Project Properties**” means all the present and future immovable assets of the Borrower created out of the Loan and also includes the Project fixed assets and all the present and future immovable properties in relation to the Project including without limitation the land of CPC (_____ acres), PPCs and all other immovable assets, lands, buildings, warehouses, godowns, units etc. in relation to the Project.

1.2 Unless a contrary intention appears, the terms defined in the GTC shall have the same meaning under this Agreement.

1.3 The rules of Interpretation as set out in Clause 4 of Article II of the GTC shall apply *mutatis mutandis* to this Agreement.

1.4 The Schedules and Annexures to this Agreement shall form an integral part of this Agreement.

1.5 GENERAL CONDITIONS AND SPECIAL TERMS AND CONDITIONS

The Loan hereby agreed to be granted by the Lender shall be subject to the Borrower complying with the terms and conditions set out herein and also set out in (i) the GTC, and (ii) the STC, a copy of which has been furnished to the Borrower alongwith sanction letter. The GTC and STC shall be deemed to form part of this Agreement and shall be read as if they are specifically incorporated herein.

ARTICLE - II **TERMS AND CONDITIONS OF LOAN**

2.1 AMOUNT OF LOAN

The Borrower agrees to borrow from the Lender and Lender agrees to lend to the Borrower, on the terms and conditions contained herein as also in the GTC and

Borrower	Lender
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STC, a sum subject to the maximum extent of INR _____ lakhs (Indian Rupees _____ Only) (hereinafter referred to as the “Loan”).

2.2 **INTEREST**

- (i) The Borrower shall pay to the Lender interest at _____ on the loan amounts outstanding at the end of each quarter in each year, on 31st March, 30th June, 30th September and 31st December as indicated in **Schedule III** hereto.
- (ii) Disbursements made pending creation of final security as stipulated in Article III hereof shall be made at the discretion of the Lender on such terms and conditions as the Lender may specify in its sole discretion. If the final security as stipulated in Article III hereof is not created within 60 (sixty) days from the date of this Agreement, the Loan shall carry further interest at the rate of 1% per annum made applicable from the date of disbursement till creation and perfection of such security.

2.3 **FEE**

The Borrower shall pay to the Lender all fees and charges as mentioned in the Sanction Letter, STC and/or GTC.

2.4 **COSTS AND CHARGES**

The Borrower shall pay all taxes, duties, costs, charges and expenses in connection with or relating to the Loan transaction (including costs of investigation of title and protection of Lender's interests). In the event of the Borrower failing to pay the aforesaid monies, the Lender will be at liberty but shall not be obliged to pay the same. All such sums paid by the Lender, under notice to Borrower, shall be debited to the Borrower's loan account and shall carry interest at the rate applicable to the Loan.

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In case of default in making such reimbursement within thirty (30) days from the date of notice of demand, the Borrower shall also pay on the defaulted amounts, interest at the same rate as applicable to the loan amount, from the date of notice of demand till reimbursement in accordance with the provisions of the GTC.

2.5 **DISBURSEMENT AND LAST DATE OF WITHDRAWAL**

- i. The Loan will be disbursed in suitable instalment(s) as may be decided by NABARD, depending on the physical and financial progress in completion of the Project, proportionate infusion and utilization of Borrower's promoters' margin, utilization of Grant-in-aid from MoFPI, GoI and the State Govt (if any) subject to the Borrower complying with the requirements stipulated by MoFPI, GoI and State Government and those mentioned in the Financing Documents and the disbursement procedure stipulated by NABARD.
- ii. Unless the Lender otherwise agrees, the right to make drawals from the Loan shall cease after the Availability Period.

2.6 **REPAYMENT**

The Borrower undertakes to repay the principal amounts of the Loan in accordance with the Repayment Schedule set forth in **Schedule IV** hereto.

2.7 **REVIEW OF THE PROJECT**

1. The Borrower shall implement the Project within the overall project cost of INR _____ lakhs ("**the Project Cost**") and in accordance with the financing plan ("**the Financing Plan**") both as agreed to between the Borrower and the Lender and set out in **Schedule II**.
2. Notwithstanding anything to the contrary contained in this Agreement, GTC or STC, the Borrower agrees that during the implementation period of the Project, the Loan shall be repayable on demand being made by the Lender at any time in the case of happening or occurring of any event of default referred to in the GTC and/or the STC.

Borrower	Lender
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3. The Borrower agrees that the Lender shall have the right to conduct review(s) of the Project before completion of the Project.
4. The Borrower agrees that:-
 - (a) If as a result of such review, the Lender determines that the Borrower has implemented/is likely to implement the Project within the Project Cost and in accordance with the Financing Plan and has commenced/ is likely to commence commercial activity by the Completion Date, then the Borrower shall repay the Loan, in accordance with the repayment schedule as Set out in Schedule IV hereto (the "**Repayment Schedule**").
 - (b) If, however, as a result of such review the Lender determines that the Borrower has not implemented/or is not likely to implement the Project within the Project Cost and/or in accordance with the Financing Plan and/or the Borrower has not commenced/or is not likely to commence commercial activity by the Completion Date, the Lender shall have the right to revise the Repayment Schedule and stipulate such additional conditions (including without limitation strengthening of management set up, change in means of financing, raising of additional equity capital/funds other unsecured funds at interest not higher than prevailing bank rate by the Promoters) as the Lender in its absolute discretion deems fit and to require the Borrower to take such other measures as may be stipulated by the Lender in the light of the revised cost of the Project/ means of financing/date of commencement of commercial activity. Unless otherwise agreed to by the Lender, the Loan would continue to be repayable on demand until the Borrower complies with the stipulated terms and conditions to the satisfaction of the Lender and commences commercial activity. Upon such compliance of the conditions and commencement of commercial activity, the Borrower shall repay the Loan in accordance with the revised repayment schedule as may be stipulated by the Lender, which revised repayment schedule shall be final and binding on the Borrower.

Borrower	Lender
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ARTICLE - III SECURITY

3.1 SECURITY FOR THE LOAN

(A) The Loan together with all interest, liquidated damages, premia on prepayment or on redemption, costs, expenses and other monies whatsoever stipulated in the Financing Documents shall be secured by:

- (a) the Borrower opening an escrow/trust and retention account (“**Escrow Account**”) for depositing receivables from the operations of the infrastructure created under the financed Projects for the entire duration of the Loan.
- (b) The following securities (“**Primary Security**”):
 - (i) First sole mortgage and charge in the form, manner and substance acceptable to the Lender over the Project Properties;
 - (ii) First sole hypothecation/charge in the form, manner and substance acceptable to the Lender over plant and machinery and all movable assets in relation to the Project as more particularly described in **Part A of Schedule VII** hereto;
 - (iii) First sole hypothecation/charge in the form, manner and substance acceptable to the Lender over the entire present and future receivables of the Borrower in relation to the Project as more particularly described in **Part B of Schedule VII** hereto.
- (c) Debt Service Reserve Account (“**DSRA**”) and the tangible collateral security to be created/maintained by the Borrower in the manner as mentioned in the STC.
- (d) First sole Charge over/assignment of all rights, titles and interests of the Borrower in, to and under the Agreement of Lease, as may be permitted, in favour of the Lender/Security Trustee acting for the benefit of the Lender.
- (e) First sole charge over/assignment of all rights, titles and interests of the Borrower in, to and under all assets of the Project and all Project Documents, contracts, insurance policies, permits/approvals, etc., to which the Borrower is a party, in favour of the Lender/Security Trustee acting for the benefit of the Lender.
- (f) All assets charged to the Lender should always be fully insured by the Borrower against fire, lightning, riots, strikes, floods, cyclones, earthquakes, civil

Borrower	Lender
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commotion and other natural calamities, etc. with a company approved by the Lender in the joint names of the Lender/Security Trustee and the Borrower at the cost of the Borrower for full market value or the Lender's interest under the Financing Documents, whichever is higher. The policies/cover notes should be lodged with the Lender/Security Trustee. The policies should be kept alive (current) during the currency of the Loan. All the renewals of the policies should be effected/done by the Borrower. In the event of non-compliance, the Lender reserves the right (but not be bound to exercise) to take the insurance cover as required by the Lender by debit to the Escrow Account.

(B) The Borrower shall make out a good and marketable title to its properties and assets to the Lender to the satisfaction of the Lender and comply with all such formalities as may be necessary or required by the Lender for the said purpose.

3.2 CREATION OF ADDITIONAL SECURITY

If, at any time during the subsistence of this Agreement, the Lender is of the opinion that the security provided by the Borrower has become inadequate to cover the balance of the Loan then outstanding, then, on the Lender advising the Borrower to that effect, the Borrower shall provide and furnish to the Lender, to the satisfaction of the Lender such additional security as may be acceptable to the Lender to cover such deficiency.

3.3 ACQUISITION OF ADDITIONAL IMMOVABLE PROPERTIES

So long as any monies remain due and outstanding to the Lender, the Borrower undertakes to notify the Lender in writing of all its acquisitions of immovable properties in relation to the Project and as soon as practicable thereafter to make out a marketable title to the satisfaction of the Lender and mortgage and charge the same in favour of the Lender/Security Trustee acting for the benefit of the Lender by way of first sole charge in such form, substance and manner as may be decided by the Lender.

3.4 GUARANTEE

Borrower	Lender
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The Borrower shall provide an irrevocable and unconditional corporate Guarantee of _____ and personal Guarantee of Shri. _____ in favour of the Lender/Security Trustee acting for the benefit of the Lender for the due repayment of the Loan and the payment of all interest and other monies payable by the Borrower in the form, manner and substance prescribed by the Lender and to be delivered to the Lender before any part of the Loan is advanced. The Borrower shall not pay any guarantee commission to the said Guarantor.

ARTICLE – IV **SPECIAL TERMS AND CONDITIONS**

The Loan hereby agreed to be granted shall also be subject to the Borrower complying with the GTC and STC set out in **Schedule V** and **Schedule VI** hereto.

ARTICLE - V **COURTS JURISDICTION**

Any suit relating to the issues covered under Financing Document including this Agreement shall fall under the non-exclusive jurisdiction of the courts at _____. This shall not however limit the rights of the Security Trustee and/or the Lender to take proceedings in any other Court of Competent Jurisdiction.

ARTICLE - VI **EFFECTIVE DATE OF AGREEMENT**

This Agreement shall become binding on the Borrower and the Lender on and from the date first above written. It shall be in force till all the monies due and payable under this Agreement are fully paid off.

Borrower	Lender
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SCHEDULE - I

THE PROJECT

The Borrower is in the process of setting up Mega Food Park project at _____ with CPC at _____ and PPC at locations near _____ providing Core Processing Facilities Factory Buildings for Micro and Small Enterprises, Enabling Basic infrastructure and Non-Core Infrastructure to be set up in the Mega Food Park Project which aims to provide state of art infrastructure facilities for the food processing along the value chain from the farm to the market, in accordance with the guidelines issued by MoFPI from time to time in relation to the Mega Food Parks Scheme and the modifications approved thereto.

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SCHEDULE - II

COST OF PROJECT AND FINANCING PLAN

PROJECT COST

MEANS OF FINANCE

PHASING OF PROJECT COST

Borrower	Lender
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SCHEDULE - III

PARTICULARS OF INTEREST

NAME OF THE LENDER

RATE OF INTEREST

NABARD

_____ % p.a at quarterly rests

Borrower	Lender
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SCHEDULE – IV

REPAYMENT SCHEDULE

As communicated alongwith the Sanction Letter

Borrower	Lender
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SCHEDULE - V

SPECIAL TERMS AND CONDITIONS (STC)

As communicated alongwith the Sanction Letter

Borrower	Lender
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SCHEDULE - VI
GENERAL TERMS AND CONDITIONS (GTC)

As communicated alongwith the Sanction Letter

Borrower	Lender

SCHEDULE – VII

Part A (Movable Assets)

All present and future of the movable assets of the Borrower in relation to the Project including without limitation its movable plant and machinery, furniture and fittings, equipment, computers hardware, computer software, machinery spares, tools and accessories, raw materials, finished goods, goods in process of manufacturing and other merchandise whatsoever and other movables, both whether now lying loose or in cases or which are now lying or stored in or about or shall hereafter from time to time during the continuance of the security under the Financing Documents be brought into or upon or be stored or be in or about all the Borrower's premises, warehouses, stockyards and godowns or those of the Borrower's agents, affiliates, associates or representatives or at various worksites or in transit or at any up country place or places or wherever else the same may be or be held or stored by any party.

Part B (Receivables)

All present and future book debts, receivables, Project Receivables, outstanding moneys receivable, claims and bills which are now due and owing or which may at any time during the continuance of the security under the Financing Documents become due and owing to the Borrower in the course of its business in relation to the Project by any person, firm, company or body corporate or by the Government Department or office or any Municipal or Local or Public or Semi Government body or authority or any body corporate or undertaking or project whatever in the public sector.

Borrower	Lender
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IN WITNESS WHEREOF the Borrower and NABARD have caused these presents to be executed in the manner hereinbelow on the respective day, month and year mentioned below.

The Common Seal of the Borrower (**name**)
of the borrower) has been affixed hereto)
pursuant to the resolution of its Board of)
Directors dated _____, in the presence)
of)
Mr./Ms. _____)
_____, who has in token
thereof subscribed his / her signature
hereto.

SIGNED AND DELIVERED for and on behalf of NABARD by
the hand of its duly authorized official

_____)
_____,

In the presence of:-)

1.

2.

Borrower	Lender
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