

## LOAN CUM HYPOTHECATION AGREEMENT

This LOAN CUM HYPOTHECATION AGREEMENT made at \_\_\_\_\_, on this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_ by and between ("Agreement"):

**BANDHAN BANK LIMITED**, a banking company incorporated under the Companies Act, 2013 having its registered office at DN-32, Sector-V, Salt Lake City, Kolkata-700091 and acting through its branch at the place as detailed in **Schedule I** (hereinafter referred to as the "Lender" which expression shall include its successors and assigns) of the FIRST PART;

### AND

The Borrower whose name, address and particulars are as stated in **Schedule I** (hereinafter referred to as "the Borrower", which expression shall unless the context otherwise requires, include heirs, administrators, executors, successors and permitted assigns, as applicable) of the SECOND PART.

(The Lender and the Borrower are hereinafter collectively referred to as the "Parties" and individually as a "Party")

### WHEREAS:

- A) The Borrower has approached the Lender for availing the Facilities (*hereinafter defined*), as per the Application Form (*hereinafter defined*) for the Purpose (*hereinafter defined*).
- B) The Lender has agreed to grant and the Borrower has agreed to avail the Facilities on the terms and conditions stated herein below:

## 1. DEFINITIONS AND INTERPRETATION

### 1.1. DEFINITIONS

For the purposes of this Agreement, unless the context requires otherwise, the following terms shall have the following meanings:

- (i) "Additional Interest" shall mean interest levied by the Lender on delay in payment of the EMI or any other amounts due and payable by the Borrower to the Lender at the rate as prescribed in Schedule I.
- (ii) "Application Form" shall mean as the context may permit or require, the facility application form submitted by the Borrower/s to the Lender for applying for and availing of the Facilities, together with the preliminary facility application form and all other information, particulars, clarifications and declarations, if any, furnished by the Borrower/s or any other person from time to time in connection with the Facilities, which shall be irrevocable by the Borrower upon submission.
- (iii) "Cross Default" shall have the meaning ascribed to the term under Clause 12 (vi) of this Agreement.
- (iv) "Due Date" shall mean the date(s) on which any amounts in respect of the Outstanding Obligations fall s due as specified in the Application Form and/ or this Agreement and/or other Transaction Documents.
- (v) "Effective Date" shall mean the date of the execution of this Agreement.

- (vi) "Equated Monthly Installment" or "EMI" shall mean the amount of each monthly payment as specified in Schedule I required to be paid to the Lender to repay the Term Loan Facility with interest over the tenure of the Term Loan Facility.
- (vii) "Event of Default" shall refer to the events described to be so under Clause 12 of this Agreement.
- (viii) "Facilities" shall collectively refer to the Term Loan Facility and the Working Capital Facility.
- (ix) "Hypothecated Assets" shall mean the movable assets of the Borrower over which a charge shall be created under the terms of this Agreement as detailed in Schedule I.
- (x) "Interest" shall have the meaning ascribed to the term in Clause 3.1.
- (xi) "Indebtedness" shall mean any indebtedness whatsoever of the Borrower/s at any time for or in respect of monies borrowed, contracted or raised (whether or not for cash consideration) or liabilities contracted by whatever means (including under guarantees, indemnities credits, deposits, hire-purchase and leasing).
- (xii) "Material Adverse Effect" means the effect or consequence of any event or circumstance which is or is likely to be: (a) adverse to the ability of the Borrower or any person to perform or comply with any of their respective obligations under the Transaction Documents in accordance with their respective terms; or (b) prejudicial to any of the businesses, operations or financial condition of the Borrower.
- (xiii) "Outstanding Obligations" shall mean and include the outstanding principal amount of the Facilities, Interest, Additional Interest, all other interest, all fees, costs, commitments, charges, expenses, stamp duty and all other sums whatsoever payable by the Borrower to the Lender in accordance with the Agreement and the Transaction Documents, as well as all other monies whatsoever stipulated in or payable by the Borrower/s under the Agreement.
- (xiv) "Person" shall include individual, partnership firm, company, association of persons, proprietary concern, limited liability partnership and co-operative society as mentioned and stipulated as per the relevant provisions of the Income Tax Act, 1961.
- (xv) "Purpose" shall have the meaning assigned to the term in Clause 2.2 of this Agreement.
- (xvi) "RBI" means Reserve Bank of India.
- (xvii) "Secured Assets" shall mean the Hypothecated Assets and any other assets over which security/charge has been/shall/may be created under the terms of the Transaction Documents to



secure the payment/repayment of the Outstanding Obligations under the Transaction Documents

- (xviii) **"Sanction Letter"** means the letter issued by the Lender sanctioning the Facilities with the relevant particulars as mentioned in the letter.
- (xix) **"Term Loan Facility"** shall mean the amount of the rupee term loan disbursed by the Lender to the Borrower for the Purpose defined hereinunder and more specifically mentioned in **Schedule I**.
- (xx) **"Transaction Documents"** shall include all writings and other documents executed or entered into or to be executed or entered into, by the Borrower or any other Person, in relation to, or pertaining to the Facilities and each such transaction document as amended from time to time.
- (xxi) **"Working Capital Facility"** shall mean the amount of the working capital facility disbursed by the Lender to the Borrower for the Purpose defined hereinunder and more specifically mentioned in **Schedule II**.

#### 1.2. INTERPRETATION

- (i) Headings are for convenience only and shall not affect the meaning or interpretation of this Agreement.
- (ii) Whenever the words "include" or "including" are used in this Agreement, they shall be deemed to be followed by the words "without limitation". Each reference to a clause number shall include all subparagraphs and subsections thereof.
- (iii) All terms and conditions of this Agreement shall be construed in accordance with the written terms thereof; and if the term or condition be ambiguous, then in accordance with the intention of the Parties.
- (iv) A reference to this Agreement or another instrument includes any variation, novation or replacement of either of them.
- (v) References to clauses, schedules and annexes are references to clauses, schedules and annexes of this Agreement.
- (vi) References to a statute include references to regulations, rules, orders, notices, or codes of practice made under or pursuant to such statute, and references to a statute or regulation include references to all amendments to that statute or regulation (whether by subsequent statute or otherwise) and references to a statute or regulation passed in substitution for that statute or regulation.
- (vii) In the event of any disagreement or dispute between the Lender and the Borrower regarding the materiality, reasonableness or occurrence of any matter including any, event, occurrence, circumstance, change, fact, information, document, authorization, proceeding, act, omission, claims, breach, default or otherwise, the

opinion of the Lender in relation to the Facilities as to the materiality, reasonableness or occurrence of any of the foregoing shall be final and binding on the Borrower.

#### 2. FACILITIES

- 2.1. Relying upon the statements and representations made by the Borrower in the Application Form, the Lender hereby agrees to make available to the Borrower and the Borrower hereby agrees to avail from the Lender, the Term Loan Facility and the Working Capital Facility mentioned in **Schedule I** and **Schedule II** respectively, attached hereto in the manner and on the terms and conditions mentioned in this Agreement.
- 2.2. The Facilities are granted for farm credit, as more particularly described in **Schedule I** and **Schedule II** hereto ("**Purpose**").

#### 3. INTEREST

- 3.1. The Borrower shall be charged interest on the Facilities from the date of disbursal of the respective Facilities at the rate specified in **Schedule I** ("**Interest**").
- 3.2. The Interest on the Term Loan Facility will be calculated on the basis of the rate of interest mentioned in **Schedule I** and rounded off to the next rupee calculated on monthly rests and any other charges shall be computed on the basis of a year of three hundred and sixty (360) days. However, in the event of the Borrower intends to foreclose the Term Loan Facility, the interest would be calculated upto the date of actual foreclosure.
- 3.3. The Interest on the Working Capital Facility will be calculated on the basis of the rate of interest mentioned in **Schedule II** and rounded off to the next rupee calculated on monthly rests and any other charges shall be computed on actual number of days/ 365 days basis. However, in the event of the Borrower intends to foreclose the Working Capital Facility, the interest would be calculated upto the date of actual foreclosure.

#### 4. DETAILS OF DISBURSEMENT

- 4.1. The Lender shall disburse the Facilities in one lumpsum or in suitable installments/tranches as specified in the **Schedule I** and **II** respectively. Disbursement shall be deemed to have been made to the Borrower on the date of the disbursement by way of cheque or pay order as the case may be or on the date of setting up of the Loan account limit. Interest on the Loan will begin to accrue in favour of the Lender as and from the date of disbursement of the Loan.
- 4.2. The right of the Borrower to make draws under this Agreement shall cease on the expiry of the validity period specified for the respective facility in **Schedule I** and **Schedule II**.
- 4.3. The Lender may by notice to the Borrower suspend or cancel further disbursements of the Facilities, if the Facilities shall not have been fully drawn within the validity period as specified in **Schedule I** or **Schedule II** (as applicable) or such other period as may be decided by the Lender.
- 4.4. Notwithstanding anything contained in the Agreement and the Transaction Documents, the Lender reserves the unconditional right to cancel the monies advanced/ to be advanced under the Agreement (either fully or partially) at any time, without giving any prior notice to the Borrower, and



the decision of the Lender as regards any matter pertaining to disbursement shall be final, conclusive and binding on the Borrower.

## 5. REPAYMENT

5.1 The Borrower will repay the Term Loan Facility as stipulated in **Schedule I**, subject to any other changes in such repayment as communicated later in writing by the Lender to the Borrower. However, in the event of delay or advancement, for any reason whatsoever, in the disbursement of the Term Loan Facility, the Due Date of payment of first EMI shall in such case be the corresponding day of the following months to the day currently stated in **Schedule I** attached hereto.

5.2 The Working Capital Facility will be repayable in the manner specified in **Schedule II** and will be payable on demand.

5.3 The repayment of the Outstanding Obligations by the Borrower to the Lender under the Transaction Documents shall be payable by any of the following modes:

- (i) Electronic Clearing System as notified by RBI;
- (ii) Standing Instructions details whereof are mentioned in the **Schedule I** from the Borrower's account with the Lender.

5.4 The Lender shall have the right to review and reschedule the repayment terms of the Outstanding Obligations at any time in such manner and to such extent as the Lender may in its sole discretion decide. In such an event the Borrower shall repay the Outstanding Obligations as per the revised schedule as communicated to the Borrower by the Lender in writing.

5.5 The Borrower shall promptly replace the mandates, agreements and/or other documents executed for payment of the Outstanding Obligations and issue fresh mandates, agreements and/or other documents in lieu thereof to the satisfaction of the Lender in the event of any variation in the Due Date(s) or amount of Outstanding Obligations or if the Lender is facing any difficulty/inconvenience/impediment for any reason whatsoever in issuing the standing instructions or if required at any time by the Lender at its sole discretion.

5.6 Irrespective of the mode of payment/repayment selected by the Borrower in the Application Form, the Lender shall, as it may deem appropriate and necessary, be entitled to require the payment and/or collection of the Outstanding Obligations, by means of the RBI's electronic clearing system, by itself or through such other person permitted for the same.

5.7 The Lender may, in its sole discretion, require the Borrower to adopt or switch to any alternate mode of payment and the Borrower shall comply with such request, without demur or delay.

## 6. PRE-PAYMENT OF THE FACILITIES

The Lender may, in its sole discretion and on such terms as it may prescribe, permit pre-payment of the Facilities. If permitted by the Lender, the Borrower shall give prior written notice of his intention to pre-pay the full amount of respective Facilities and pay to the Lender such pre-payment charges mentioned in **Schedule I** and **Schedule II** respectively, subject to change by the Lender from time to time.

## 7. CONDITIONS PRECEDENT FOR DISBURSEMENT

7.1 The following shall be conditions precedent for any disbursement of the Facilities or any tranche thereof:

- (i) The Borrower shall have submitted to the Lender such authorizations and approvals as may be specified required for availing of the Facilities or as may be specified by the Lender.
- (ii) The Borrower shall have submitted a certified copy of its constitutional documents.
- (iii) Prior to the first disbursement, the Security over the Secured Assets should have been created and the guarantee(s) should have been issued, as may be required by the Lender.
- (iv) The Borrower shall have an absolute, clear and marketable title to the Secured Assets and the Secured Assets should be absolutely unencumbered and free from any liability and prior charges whatsoever.
- (v) No Event of Default or Cross Default or Material Adverse Effect shall have occurred.

## 8. SECURITY

8.1 The Borrower hereby hypothecates and charges in favour of the Lender as and by way of first charge on the Hypothecated Assets for the payment to the Lender of all the Outstanding Obligations.

8.2 The Borrower shall maintain the Hypothecated Assets in good condition and all necessary repairs, additions and improvements thereto will be made during the continuance of this Agreement and that the Borrower will ensure that the state of the Hypothecated Assets does not diminish.

8.3 The Borrower shall not remove or cause to be or permit to be removed any of the Hypothecated Assets from any of the premises, factories or godowns of the Borrower or wheresoever otherwise they may be kept or divert or cause or permit any of the Hypothecated Assets to be diverted while in transit.

8.4 The Borrower shall furnish to the Lender statements regarding the Hypothecated Assets such as the full details thereof. Such statements shall be delivered to the Lender within such days from the date to which the statement relates and shall be authenticated by an authorised official of the Borrower. The statements shall be in such form as may be prescribed by the Lender, as and when required by the Lender so to do, such information regarding the Hypothecated Assets and about the Borrower's business, as may be required by the Lender.

8.5 If so required by the Lender, the Borrower shall cause to be displayed at all places whereby any of the Hypothecated Assets may be kept, sign boards prominently indicating that the Hypothecated Assets are hypothecated to the Lender; the sign boards to be displayed in such manner and form as may be required by the Lender. The Borrower shall pay all rents, taxes, outgoings and other charges in respect of the premises in which the Hypothecated Assets are stored and may be kept.

8.6 The Borrower shall permit the Lender (and any of its

