

IFD - 1**BANK OF INDIA****TERM LOAN AGREEMENT (IFD-1.)**
FORM "A"

Articles of Agreement made at _____ on the _____ day of 200__ between _____ Ltd., a company incorporated under the Indian Companies Act, 1956 and having its registered office at _____ (hereinafter referred to as "the Borrower which expression shall include the successors and assigns) of the ONE PART and Bank of India, a body corporate constituted under the Banking Companies (Acquisition & Transfer of undertakings) Act, 1970 and having its Head Office at Plot No C-5, G Block, Bandra Kurla Complex, Bandra East, Mumbai - 400 051, and a branch office at _____ hereinafter referred to as "the Bank" which expression shall include the successors and assigns) of the OTHER PART.

WHEREAS the Borrower has applied to the Bank for a loan advance of Rs. _____ upon the basis of and for the purpose set forth in the Borrower's proposal dated the _____, a copy whereof is annexed to this Agreement (hereinafter called "the Borrower's proposal").

AND WHEREAS the Bank has agreed to advance such loan either at one time or by such instalments and on such dates as the Bank deems fit and to accept as security the documents listed in the Schedule hereto (hereinafter referred to as the security documents).

AND WHEREAS it is represented and agreed that it is on the strength and faith on the assurances, agreements and covenants and terms herein set out that the Bank has agreed to advance said loans for which the security documents as required by the Bank are to be executed by the Borrower AND WHEREAS it is necessary that the said assurances, agreements, covenants and terms be specifically set out as hereinafter mentioned.

Now These Articles Witness that in consideration of the premises and the agreement to advance monies by the Bank to the Borrower, IT IS HEREBY AGREED BY AND BETWEEN THE PARTIES HERETO AS FOLLOWS :

1. The Borrower is aware that its proposal constitutes the basis of this Agreement and of the said loan of Rs. _____ to be advanced by the Bank hereunder (hereinafter referred to as the said advance) and the Borrower hereby warrants the correctness of each and every one of the representations, statement and particulars therein contained and undertakes to carryout the proposal therein set forth in the manner and within the time therein mentioned. The Borrower shall not make any changes or modification in the said proposal without the prior written consent of the Bank.
2. The Borrower hereby agrees that the said advance shall be governed by and subject to the terms contained herein as well as those contained in the security documents executed / agreed to be executed by the Borrower in favour of the Bank (listed in the Schedule hereto) except in so far as the security documents may be modified by these presents;

3. The Borrower expressly agrees and undertakes that the said advance shall be utilised exclusively for the purpose and in the maner set forth in the Borrower's proposal and for no other purpose.
4. The Borrower agrees and undertakes to notify the Bank in writing of any circumstances affecting the correctness of the particulars set forth in the Borrower's proposal or which may affect the Borrower's ability to carry out the said proposal within 7 days after the occurence of any such circumstances.
5. The Borrower shall repay the advance to the Bank _____ by the instalment and on the day hereinafter mentioned viz.

Amount of instalment

Date of payment

Provided that if the amount actually advances is less than the sum of Rs. _____ then either the instalment payable by the Borrower shall be proportionately reduced (though the same wil continue to be payable on the same day as are mentioned above) or the period of repayment shall be correspondingly reduced, as the Bank may decide in its discretion and notify in writing to the Borrower in writing. In any such event the amount of instalment and the dates of repayment so notified by the Bank to the Borrower shall be deemed to be substituted herein in place and **instead of the amount of instalment and dates of payment hereinabove** mentioned and this Agreement shall be read and construed accordingly and the Borrower shall so long as the advance or any part thereof remains unpaid pay interest thereon or on the balance thereof due from time to time at the rate of _____ % p.a. over Bank's Prime Term Lending Rate minimum ____% p.a. or at such rate or rates as may be notified to the Borrower by the Bank from time to time (including in particular interest at an additional or penal rate in event of default by the Borrower in punctual payment of instalments of Principal and / or of interest) with monthly / quarterly rests (in March, June, September and December) / half-yearly (September and March) each year on the date appointed by the Bank for this purpose.

6. Notwithstanding anything herein or in the said security documents contained the whole said advance or the entire balance thereof outstanding at that time shall be at Bank's option become forthwith due and payable by the Borrower to the Bank and the Bank will at its option be entitled to enforce its security upon the happening of any of the following events namely :-

- a) any instalment of the Principal monies being unpaid upon the respective due date for the payment thereof;
- b) any interest amount remaining unpaid and in arrears for any span of one month after the same shall have become due whether demanded or not;
- c) any representation or statement of the Borrower's proposal being found incorrect or the Borrower committing any breach or default in the performance or observance of any term or condition or provision contained in these presents and / or the Borrower's proposal and/ or the said security documents or any other terms or conditions relating to the advance;
- d) the Borrower's entering into any arrangement or composition with its creditors or committing any act of insolvency, or any act the consequences of which may lead to the winding up of the Borrower;
- e) execution or distress or other process being enforced or levied upon or against the whole or any part of the Borrower's property whether secured to the Bank or not;
- f) any order being made or a Resolution being passed for the winding up of the Borrower (except) for the purpose of amalgamation or reconstruction with the prior approval of the Bank);
- g) a Receiver being appointed in respect of the whole or any part of the property of the Borrower;
- h) a Borrower (if any individual) or any of the partners of the Borrower (if a firm) being adjudicated insolvent or taking advantage of any law for the relief of insolvent debtors; or entering into any arrangement or composition with his creditors or committing any act of insolvency;
- i) the Borrower ceasing or threatening to cease to carry on business; or giving or threatening to give notice of its intention to do so;
- j) it being certified by an accountant or a firm of accounts appointed by the Bank (which the Bank is entitled and

authorised to do at any time) that the liabilities of the Borrower exceed its assets or that the Borrower is carrying on business at a loss;

- k) if the Borrower shall without the consent in writing of the Bank attempt or purport to create any mortgage, charge, pledge, hypothecation or lien or encumbrance ranking in priority to or pari passu with or to create any mortgage charge, pledge, hypothecation or lien or encumbrance subsequent to the security given or to be given to Bank for the said advance;
- l) if the Borrower shall stop payment or threaten to do so;
- m) the occurrence of any event or circumstance which is prejudicial to or impairs or imperils or depreciates or jeopardizes or is likely to prejudice impair, imperils or depreciate or jeopardize any security given to the Bank and
- n) the occurrence of any event or circumstance which would or is likely to prejudicially or adversely affect in any manner the capacity of the Borrower either to repay the said advance or to carry out the said proposal.

On the question whether any of the matters, events or circumstances mentioned in the sub-clause (a) to (n) above has appened, the opinion and / or decision of the Bank shall be conclusive and binding on the Borrower.

7. It is hereby expressly agreed that the Bank shall be at liberty to assign the debt and the benefit of these presents and the security for the advance and the security documents to the Industrial Development Bank of India, as security for any refinance obtained by the Bank from the Industrial Development Bank of India in respect of the loan agreed to be advanced by the Bank to the Borrower and the Borrower shall if and whenever required by the Bank to do so at the Borrower own expense do and execute and join in doing and executing all such acts, things, deeds, documents or assurances as the Bank may require for the effectuation of such assignment.
8. The Borrower shall not without the written consent of the Bank, create in any manner any mortgage, charge, pledge, hypothecation, lien or other encumbrance on the security given or to be given to the Bank in respect of such advance or create any interest in such security in favour of any other party or person. The Bank shall have an absolute discretion to give or withhold such consent.
9. The Borrower shall insure to the satisfaction of the Bank and keep insured all property constituting the Bank's security against fire and

all other risks in a sum equivalent to its full market value in an office approved by the Bank in the joint names of the Bank, and the Borrower or otherwise as the Bank may require and shall duly and punctually pay all premiums and shall not do or suffer to be done any act which may invalidate or avoid such insurance and shall deposit the insurance policy and all cover notes, premium receipts and other documents connected therewith with the Bank. Any monies realised from such insurance shall at the option of the Bank be applied either in reinstating the security or in repayment of the said advance and interest.

If the Borrower shall make any default in insuring and keeping insured all or any property forming the Bank's security, the Bank without prejudice to and affecting its rights under Clause 6 hereof shall be at liberty (but not bound) to insure and keep the same insured and the Borrower shall on demand repay to the Bank any amount spent by it for effecting such insurance with interest at the rate aforesaid.

10. The Borrower shall, upon every reasonable request of the Bank or of Industrial Development Bank of India allow the Bank or the Industrial Development Bank of India and any officer, any nominee, servant or agent of the Bank or Industrial Development Bank of India or any accountant appointed by the Bank or of Industrial Development Bank of India to inspect the Borrower's premises and plant and the Borrower's books of account and vouchers for ensuring that the Borrower has duly complied with the terms of the proposal of these present and / or the security documents.
11. The Borrower will furnish the Bank with all such information as the Bank may reasonably require for the Bank's satisfaction as to due compliance with the terms of the proposal and of the sanctions, grant and utilisation of the said advance and all such periodical reports and information at such times, in such form and containing such particulars as the Bank may call for.
12. The Bank shall be at liberty (and the Borrower hereby gives its consent to the Bank) to furnish to the said Industrial Development Bank of India any such information or report, whether received by the Bank from the Borrower or otherwise in the Bank's possession.
13. Nothing contained in these presents shall be deemed to limit or affect prejudicially the rights and powers of the Bank under the security documents or any of them or at law.
14. No delay in exercising, or omission to exercise any right, power or remedy accruing to the Bank upon any default under this Agreement or under any security document, shall impair or prejudice any such right, power or remedy or shall be construed to be a waiver thereof or any acquiescence in such default; nor shall the action or inaction

of the Bank in respect of any default affect or impair any right, power or remedy of the Bank in respect of any other default.

THE SCHEDULE

Here set forth brief particulars of all security and other documents obtained by the Bank from the Borrower under the following heads :

Date of document	Parties	Brief description	Brief particulars of property secured by instrument
------------------	---------	-------------------	---

The Coomon Seal of the within named _____ Ltd.
 Was purusant to a Resolution of its Board of Directors passed in that behalf on the _____ day
 of _____ 200__ hereunto affixed in the presence of Mr. _____
 and Mr. _____
 Borrower's proposal to be annexed.

Not to be attested.