LOAN AGREEMENT

This Loan Agreement (“**Agreement**”) is entered into at Bhopal (“**Effective Place**”) on this **\_\_\_\_\_\_\_\_\_\_\_\_\_**, 2020 (“**Effective Date**”);

BY AND BETWEEN

**Vishalya Foods and Farms Private Limited**, a startup company duly incorporated under the provisions of Companies Act, 2013 having CIN No. U74999MP2018PTC045316, and its registered office situated at House No. 42, Paras Majestic, Near Aura Mall, Trilanga Colony, Bhopal, Madhya Pradesh - 462039 India, (hereinafter, referred to as the “**Borrower**” or “**Company**”);

AND

**\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**, s/d of **\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_** resident of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ having Aadhaar Number \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ and **\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**, s/d of **\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_** resident of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ having Aadhaar Number \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, which expression shall, unless repugnant to the context or meaning thereof, be deemed to include their successors, legal heirs and permitted assigns (hereinafter, referred to as the “**Lender**”);

*(The Lender and the Borrower are hereinafter collectively referred to as “****Parties****” and severally as “****Party****”)*

**WHEREAS:**

1. The Borrower is engaged in the business of agriculture. (“**Business**”).

1. The Lender has agreed to tender loan of principal sum of INR 20,00,000/- (Rupees Twenty Lakhs) (“**Loan Amount**”) to the Borrower.
2. Accordingly, the Parties are entering into this Agreement for the purpose of recording the terms under which the Loan Amount shall be given by the Lender to the Borrower.

**NOW, THEREFORE, THE PARTIES AGREE AS UNDER**:

# Definitions & Interpretation

* 1. Definitions

In this Agreement, unless repugnant or contrary to the context hereof, the following terms, when capitalised (and their cognate expressions), shall have the meanings assigned herein:

* + 1. “Act” means the Companies Act, 1956 or the Companies Act, 2013 as applicable, amended, substituted or replaced, from time to time;
    2. “Agreement” means this loan & pledge agreement, including all schedules and annexures attached hereto, and any subsequent written modifications agreed to by and between the Parties in terms hereof;
    3. “Applicable Law(s)” means all applicable laws, bye-laws, statutes, rules, regulations, orders, ordinances, notifications, protocols, treaties, codes, guidelines, policies, notices, directions, judgments, decrees or other requirements or official directives of any Governmental Authority or third party acting under the authority of any Governmental Authority and/ or of any statutory authority in India whether in effect on the date of execution of this Agreement or thereafter;
    4. “Approvals” means permissions, consents, validations, notice, filings, confirmations, approvals, waiver, permits, grant, concession, certificate, exemption order or registration, licenses, and other authorizations required to be obtained by a Person, as per the provisions the constitutional documents of such Person and/ or under Applicable Laws;
    5. “Borrower’s Bank Account” means the bank account of the Borrower, bearing account number \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ and held with \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Bank, \_\_\_\_\_\_\_\_\_\_\_\_\_\_ branch having IFSC Code \_\_\_\_\_\_\_\_\_\_\_;
    6. “Business Day” means any day of the week on which commercial banks are open for business in Bhopal, India.
    7. “Encumbrance” shall mean any and all third party rights, title or interests, including but not limiting those created by or in the nature of a mortgage, pledge, hypothecation, charge, security, lien, benefit, tenancy, gift, surety, attachment, stay, decree, or any other court order, injunction, agreement to sell, conveyance deed or any other interest or right whatsoever, whether existing or created or purporting to exist or created, and whether present, future or contingent;
    8. “Effective Date” shall mean the date on which all the Parties have signed this Agreement;
    9. “Effective Place” shall mean the place at which all the Parties have signed this Agreement;
    10. “Governmental Authority” means any government authority, statutory authority, government department, ministry, secretariat, agency, commission, board, tribunal, court or other rule or regulation making body/ entity having or purporting to have jurisdiction on behalf of the Republic of India or any other government having or purporting to have jurisdiction over a Party, or any state or other subdivision thereof or any municipality, district or other subdivision thereof including, without limitation, the Ministry of Corporate Affairs and Reserve Bank of India;
    11. “INR” or “Rupees” means Indian Rupees, the lawful currency of the Republic of India;
    12. “Obligations” means, collectively, (i) all loans, liabilities and obligations, howsoever arising, owed by the Borrower to the Lender, of every kind and description, including all interest, fees, charges, expenses, attorneys’ fees and consultants’ fees (all the said expenses) chargeable to Borrower;
    13. “Person” means any individual, sole proprietorship, unincorporated association, body corporate, corporation, company, partnership, limited liability partnership, limited liability company, joint venture, Governmental Authority or trust or any other entity or organization;
  1. Interpretation

In this Agreement, unless the context otherwise requires:

* + 1. The recitals shall form an integral and operative part of the Agreement;
    2. Reference herein to any Clause or Schedule is to such clause or schedule of this Agreement unless the context otherwise requires. The Schedules to this Agreement shall be deemed to form part of this Agreement.
    3. The headings or interpretation are inserted for convenience only and shall not affect the construction of this Agreement.
    4. Unless the context otherwise requires, words importing the singular include the plural and vice versa, and pronouns importing a gender include each of the masculine, feminine and neuter genders.
    5. Reference to statutory provisions shall include any amendment or re-enactment (whether before or after the date of this Agreement) for the time being in force and to all statutory instruments or orders made pursuant to such statutory provisions.
    6. Reference to the word “include” shall be construed without limitation.
    7. Time is of the essence in the performance of the Parties' respective obligations.
    8. The words “directly or indirectly” mean directly or indirectly through one or more intermediary persons or through contractual or other legal arrangements, and “direct or indirect” shall have the correlative meanings.
    9. No provisions of this Agreement shall be interpreted in favour of, or against, any Party by reason of the extent to which such Party or its counsel participated in the drafting hereof or by reason of the extent to which any such provision is inconsistent with any prior draft hereof.

# Loan amount and interest

* 1. The Lender shall extend the Loan Amount to the Borrower.
  2. Interest: The Borrower shall pay to the Lender simple interest (“**Interest**”) on the Loan Amount at a rate equal to 15% per annum.

# maturity

* 1. The Maturity Date shall be 30 months from the date of disbursement of Loan Amount.
  2. On the Maturity Date, the Lender shall decide whether they want the Loan Amount along with Interest (“**Maturity Amount**”) to be repaid or whether they would want the Maturity Amount or part of Maturity Amount to be converted into equity shares of the Borrower. The Interest shall be payable only on the portion of Loan Amount which is not converted into equity shares.
  3. In case of conversion into equity shares, the conversion shall happen at the valuation of Borrower to be Rs.5,00,00,000/- (Rupees Five Crores).
  4. In case the Lender does not convert the entire or any of the Maturity Amount into equity, the repayment shall happen in instalments to be mutually decided by the Parties.
  5. Time is of essence in the Agreement and the Maturity Date is non-extendible. However, at the written request of the Borrower, the Lender may, in its sole discretion, extend the Maturity Date on such terms and conditions as it may deem fit.

# Representations AND Warranties by the Borrower

The Borrower makes the following representations, warranties and undertakings which shall survive the execution and delivery of this Agreement:

* 1. Standing: The Borrower is a private limited company duly formed, validly existing and in good standing under the laws of India. The Borrower has the requisite power and authority to carry on the Business as it is currently being conducted and proposed to be conducted.
  2. Requisite Authority: The Borrower has all requisite power and authority to enter into the Agreement.
  3. No Conflict; No Security: Neither the execution and delivery of the Agreement, nor compliance by the Borrower with any of the provisions of the Agreement shall (i) violate or conflict with any provision of its constitutional documents, any law, judgment, order, writ, decree or injunction applicable to it; (ii) adversely affect the title or interest of Borrower in any of its assets; or (iii) violate, or conflict with, or result in a breach of any provision of, or constitute a default, or, result in the creation of any Encumbrance upon its assets, under any contract, mortgage or other instrument or obligation to which it is a party or by which it or any of its assets are bound, in favour of a third party.
  4. Consents: All requisite permits, applications, notices, approvals, qualifications, waivers from or authorizations of, or registrations with, any Governmental Authority or any third party have been made or obtained by the Borrower.
  5. Compliance with Applicable Laws: Borrower is in compliance with all Applicable Laws and has not been in material conflict with or in alleged or actual violation or breach or default under any material law applicable to the Borrower.
  6. Litigation claims: There are no legal or arbitral proceedings or investigations, or any proceedings by or before any Governmental Authority or any Person, pending or threatened against the Borrower.
  7. No distress, execution or other similar order or process has been levied on any of the properties or assets of the Borrower.

# Affirmative Covenants

The Borrower hereby covenants and agrees that, in the case of the covenants described below, on and after the date hereof, and until the Loan Amount together with interest and all other obligations incurred hereunder are paid in full:

* 1. Compliance with Applicable Laws: The Borrower shall comply with all Applicable Laws.
  2. Information: The Lender or its authorized representatives shall be entitled to receive the following information on request or as otherwise provided herein: (i) quarterly (and year-to-date) financial statements (including an income statement, a statement of cash flow, a balance sheet, a statement of capital expenditures, detailed break-down of working capital, an analysis of receivables and comparisons to budget) within 30 (thirty) days of the end of the relevant quarter, and annual audited financials within 90 (ninety) days from the date of the end of the financial year; (ii) board, committee, and shareholder meeting minutes within 14 (fourteen) days after such event; (iii) any material information relating to the Business of the Company and / or details of significant events impacting the Property; and (iv) any other information as may be reasonably requested by the Lender.

# Events of Default and Remedies

* 1. Default: The occurrence of any of the following events or circumstances shall constitute a (“**Default**”) or (“**Event of Default**”) hereunder:
     1. the Borrower makes default in payment of Loan Amount including Interest Amount for a quarter or more and the same is not cured within 30 (thirty) days from the due date;
     2. any representation or warranty of the Borrower proves to have been incorrect in any material respect;
     3. the Borrower fails to perform or observe any covenant or agreement, or admits its inability to, or intends not to, perform one or more of its obligations under the Agreement; and
     4. the Agreement is declared by a court of competent jurisdiction to be null and void, invalid or unenforceable in any respect, or ceases to give the Lender, rights, powers and privileges purported to be created thereby; or if the rights of the Lender under the Agreement is questioned or contested.
  2. Event of Default & Acceleration: Upon occurrence of a Default, the Lender shall have the right to issue a written notice to the Borrower notifying such Default to be an Event of Default, and declare the date of Event of Default to be the Maturity Date.
  3. Other Remedies: Upon the occurrence and during the continuation of an Event of Default, the Lender may exercise any or all rights and remedies at law or in equity (in any combination or order that the Lender may elect), including without limitation or prejudice to the Lender’s other rights and remedies, any and all rights and remedies available under the Agreement.

# Guarantee & indemnity

* 1. The Borrower irrevocably and unconditionally:
     1. guarantees to the Lender punctual performance by the Borrower; and
     2. Indemnifies the Lender immediately on demand against any loss or liability suffered by the Lender or its officers, directors, employees, counsel, agents and attorneys-in-fact and affiliates, as the case may be, if any obligation guaranteed by it is or becomes unenforceable, invalid or illegal.
  2. Continuing Guarantee: Without prejudice to the other provisions of the Agreement, this guarantee is a continuing guarantee and will extend till the discharge of all sums payable by the Borrower under the Agreement, regardless of any intermediate payment.
  3. Additional security: This guarantee by the Borrower is in addition to and is not in any way prejudiced by any other security now or subsequently held by the Lender.

# Miscellaneous

* 1. Assignment: The Borrower shall not assign or otherwise transfer any of their rights under this Agreement to any Third Party.
  2. Notices: Unless otherwise specifically provided herein, all notices, consents, requests, demands and other communications required or permitted hereunder:
     1. shall be in writing;
     2. shall be sent by registered mail or by email to the appropriate addresses set forth below, or to such other addresses as any Party may inform, in writing, to the other Parties by giving 5 (five) Business Days’ prior notice.

If to the Lender:

Name :

Address :

E-mail :

Telephone :

If to the Borrower:

Name :

Address :

E-mail :

Telephone :

* 1. No Waiver: No failure or delay on the part of the Lender in exercising any right, power or privilege hereunder and no course of dealing between the Borrower and the Lender shall operate as a waiver thereof.
  2. Reinstatement: In case the any or whole part of repayment on behalf of the Borrower is subsequently invalidated and required to be repaid to the Borrower or to or any other Person under any Applicable Law or otherwise, then the amount so required to be repaid shall be reinstated and included within the obligations of the Borrower as if such payment was never made to the Lender.
  3. Counterparts: This Agreement may be executed in any number of counterparts and by the different Parties hereto on separate counterparts, each of which when so executed and delivered by facsimile or otherwise shall be original, but all of which shall together constitute one and the same instrument.
  4. Amendment: No provision of this Agreement may be amended, supplemented, modified or waived, except by a written instrument signed by the Lender and the Borrower.
  5. Survival: All indemnities set forth herein, without limitation, shall survive the termination of this Agreement and the making and repayment of the Loan Amount.
  6. Right of Set-off: The Lender is authorized, without presentment, demand, protest or other notice of any kind to the Borrower or to any other Person, to set off and to appropriate and apply any and all deposits and any other indebtedness at any time owing to the Lender, to or for the credit of the Borrower against and on account of the obligations or liabilities of the Borrower to the Lender under this Agreement.
  7. Severability: Any provision hereof which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof and without affecting the validity or enforceability of any provision in any other jurisdiction.
  8. Complete Agreement: This Agreement represent the final and complete agreement of the Parties hereto and thereto with respect to the Loan Amount, and all prior negotiations, representations, understandings, writings and statements of any nature with respect to the Loan Amount are hereby superseded in their entirety by the terms of this Agreement.
  9. Governing Law and Jurisdiction: The validity, construction and performance of this Agreement shall be governed by the laws of India, and the courts at Bhopal shall have exclusive jurisdiction.
  10. Dispute Resolution: All dispute or difference arising between the Lender and the Borrower shall be referred for arbitration to the sole arbitrator nominated by the Lender under the provisions of Arbitration and Conciliation Act, 1996, as amended from time to time. The proceedings of arbitration shall be in the English language. The seat and the venue of such arbitration shall be Bhopal and the governing law shall be prevalent laws of India. The award thereof passed by the arbitrator shall be binding on both the parties and the arbitral tribunal shall also have the right to decide on the costs of arbitration proceedings.

**IN WITNESS WHEREOF** the Parties has set their respective hands to execute this Loan Agreement on this \_\_\_\_\_\_\_ day of October, 2020.

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| Signed and delivered by the **Lender** through its authorized representative. |
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| Signed and delivered by **Borrower** through its authorized representative. |
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