

(To be stamped as an agreement)

CREDIT FACILITY AGREEMENT

BETWEEN

_____ **Insert the name of the Borrower** _____

AND

THE SOUTH INDIAN BANK LTD

Facility	
Amount	Rs.

This forms part of the Agreement for credit facility executed between _____ **Insert the name of the Borrower** _____ and **The South Indian Bank Ltd.** dated _____

Borrower

The South Indian Bank Ltd.

THIS AGREEMENT is made at the place and date as specified in Schedule I (a) between such persons, whose name(s) and address(es) are as specified in Schedule I (b) (hereinafter referred to as the "**Borrower**" which expression shall unless repugnant to the context or meaning thereof include its successors and assigns and all persons deriving/ claiming title there under) AND The South Indian Bank Ltd, a banking company incorporated under the Companies Act, 1913 and having its Registered Office at "SIB House", T.B. Road, Mission Quarters, Thrissur and one of its Branch Offices at the place specified in Schedule I (c) (hereinafter referred to as the "**Bank**" which expression shall unless repugnant to the context or meaning thereof include its successors and assigns)

WHEREAS AT THE REQUEST OF THE BORROWER, the Bank has granted/agreed to grant Rupee Term Loan (Hereinafter referred to as the "**Facility**", which expression shall as the context may permit or require, mean any or each of the Facility granted by the Bank, or so much thereof as may be outstanding from time to time) upto amounts more particularly mentioned in Schedule I(d) hereto, on the terms and conditions contained in this agreement, the Sanction letter, the General Terms and Conditions and other transaction documents for the purpose mentioned in Schedule I(e) hereto.

NOW IT IS HEREBY AGREED, DECLARED, RECORDED AND CONFIRMED AS FOLLOWS:-

IN CONSIDERATION OF the Bank having granted/agreed to grant the facility referred hereinabove to enable the Borrower to carry out the purpose for which the loan is granted, the Borrower hereby agrees, covenants, confirms and records the terms and conditions upon which the loan is granted as under:-

ARTICLE I

DEFINITIONS

In this Agreement and the General Terms and Conditions, unless there is anything repugnant to the subject or context thereof, the expressions listed below shall have the following meanings viz.:

"Applicable Interest Rate(s)" means at any relevant time, the interest rate(s) as set out in Schedule II (b) of this Agreement.

"Borrower" means the person(s) defined under Section 2.1 of the General Terms and Conditions and specifically named in Schedule I (b) of this Agreement.

"MCLR" means Marginal Cost of Funds based lending rate, which is a tenure linked benchmark, arrived based on the corresponding tenure of a particular advance/ facility.

The actual lending rate shall be determined by adding the components of Spread to MCLR (of appropriate tenure). MCLR of different tenures shall be reviewed and published by the Bank on the 1st day of every month. The interest rate in a particular loan account will be changed only on the Reset date/ period, irrespective of tenure of MCLR or interim changes in the rates of MCLR. The revised rates (prevailing on the date of reset) shall be made applicable to the loans/ facilities extended, from the 1st day of the corresponding month of the reset period expiry (for the initial reset), irrespective of the actual date of availing and subsequent reset shall be on the 1st day of the corresponding month of reset period fixed.

MCLR prevailing on the date of first disbursement shall be applicable and rate of interest will remain unchanged until the date of next reset, irrespective of interim changes in MCLR.

“General Terms and Conditions” means The South Indian Bank Ltd.’s General Terms and Conditions for Credit Facilities duly registered on the 5th day of March, 2012, with the Sub-Registrar of Assurances-III, Delhi/ New Delhi vide registration No.340 in Book No.4, Vol.No.4,257 from pages 1 to 29, as is applicable to the Credit Facility availed/ to be availed from the Bank, a copy of which is also available on the website of the Bank.

All capitalised terms used but not defined in this Agreement shall have the respective meanings assigned to them under the General Terms and Conditions.

ARTICLE II

TERMS OF THE FACILITY

2.1 AMOUNT

The Borrower agrees to borrow from the Bank and the Bank agree to lend to the Borrower the facility particularly mentioned in Schedule I (d) hereto.

2.2 SANCTION LETTER

The Sanction letter allowing the facility shall be read in conjunction with the provisions of this Agreement and in the event of any inconsistency in the terms of the aforesaid sanction letter vis-à-vis the credit facility agreement, the terms mentioned in the sanction letter will prevail for all intents and purposes.

2.3 GENERAL TERMS AND CONDITIONS

The General Terms and Conditions shall be deemed to form part of this Agreement and shall be read as if they are specifically incorporated herein and to the extent of any inconsistency or repugnancy, the contents of this Agreement shall prevail over the General Terms and conditions for all intents and purposes. The Borrower confirms having accessed the General Terms and Conditions on the website of the Bank and/ or having received a copy of the General Terms and Conditions and confirms having read and understood the General Conditions. The Borrower specifically agrees to the General Terms and Conditions set out therein, as is applicable to the facility granted/ being granted to the borrower.

2.4 DISBURSAL OF FACILITY

The facility will be disbursed to the borrower in one or more instalment(s) as may be fixed by the Bank. The person more fully specified in Schedule I (f) or such other person or persons authorised by the Borrower from time to time shall draw the amount in stages as stipulated. This agreement shall be valid and binding on the Borrower for the ultimate balance with interest thereon to become payable upon the said loan account including all moneys lent, advanced, paid or incurred together with interest, discount, commission and other banking charges as fixed by the bank from time to time and other costs, charges and expenses which may become payable in connection therewith.

2.5 NOTICE OF DRAWAL

The Borrower shall furnish to the Bank an irrevocable notice of drawal of any instalment of the loan, at least 3 clear Business Days before each draw down date, which draw down date should be a Business Day. However, the Bank may at its option waive such notice.

2.6 REPAYMENT AND INTEREST

The Borrower agrees to repay the loan as specified under under schedule II (a) of this

agreement and to pay interest at the rate on the rests specified under schedule II (b) of this agreement, with the rests mentioned therein. The Borrower further agrees as follows:

- a) The due date of instalment shall be corresponding to the date of disbursement, after the holiday period (if any specified) as per the periodicity (i.e. monthly/ quarterly/ half yearly/ yearly, as the case may be).
- b) On account of upward revision of interest or for any other reason,(a) the Bank will have absolute liberty and discretion to re-fix the amount of equated instalment and in that event the Borrower shall be liable to repay the loan with revised interest at such revised instalment and/or (b) the Bank may at its sole and absolute discretion extend the period of repayment mentioned hereinabove and/or (c) allow the Borrower to make lump sum payment which is sufficient to keep the originally fixed equated instalment amount and repayment period unaltered or the Bank may permit any combination of the aforesaid options. In the event of any amendment/ alteration to the amount of instalment and/or the number of instalments on account of the above reasons, then the same shall be deemed to have been substituted here in this Agreement.
- c) Borrower agrees that the Rate of Interest may increase on account of the change of policy/directives of Reserve Bank of India/ variation in MCLR and /or Spread and in that case the Borrower agrees to pay such revised rate of interest. The Borrower also agrees that if such revised rate of interest is not acceptable, the Borrower shall make repayment of entire balance outstanding in the loan account within a period of 30 days from the date of reset of rate of interest without pre-payment charges. If the Borrower neither accepts the revised rate of interest nor close the loan within 30 days from the date of reset of rate of interest, the Borrower shall be liable to pay interest at the revised rate of interest from the date of interest rate reset and in the event of pre-payment of loan after 30 days from the date of reset, the Borrower agrees to pay additional interest of 2% on the prepaid amount, calculated from the end of 30 days period till the date of pre-closure.
- d) In the event of the account being classified as Non Performing Asset (NPA), the Borrower will be liable to pay interest at an enhanced rate of 2% over and above the then effective rate of interest with monthly rests or such other rate fixed by the Bank from time to time.
- e) In the 'event of default' for reasons other than the account becoming NPA, the Borrower will be liable to pay penal interest @ 2% or such other rates fixed by the Bank from time to time, over and above the contractual rate of interest. Provided further that the charging or payment of such enhanced/ additional/ penal rate of interest shall be without prejudice to other rights and remedies of the Bank
- f) The interest specified in the Sanction Letter or any other provision in the Transaction Documents will be computed from the respective date of drawal and shall become payable upon the footing of compound interest with monthly rests or such other rests as may be prescribed by the Bank from time to time.
- g) The interest on the outstanding amounts under the Facilities / discount or other charges when debited to the relevant Account by the Bank, shall be calculated on the daily debit balance of such Account. In the event of remittance being made into the account after the normal business hours (i.e. beyond 4 hours from the commencement of business hours), but within the extended business hours, the Bank will have the discretion to value date such remittance on the next succeeding business day for the purpose of calculation of interest.

- h) The interest, commission, discount and all other charges shall accrue from day to day and shall be computed on the basis of 365 days a year for rupee Facilities and 360 days for foreign currency Facilities, and the actual number of days elapsed.
- i) The Borrower(s) further agrees(s) that Bank is at liberty to vary the MCLR at periodic intervals depending on tenor/ residual tenor to next reset date and / or the Spread at such rate(s) as may be decided by the Bank from time to time either on account of a revision in the MCLR of the Bank for the corresponding tenor/ residual tenor and/ or deterioration in credit quality/ rating of the Borrower(s) as assessed from time to time by the Bank or otherwise as decided by the Bank from time to time/ as per directives of the Reserve Bank of India as the Borrower(s) agree(s) to pay the interest at such revised rate. The Borrower specifically waives notice of variation of any change in the interest rate/ rest and notice published in Bank's Notice Board/Web Site of the Bank or entry regarding debit of interest in the statement of account shall be deemed to be sufficient notice of variation in rate of interest/ rest to the Borrower. Further, the Bank will be entitled to effect changes in the 'Spread' from time to time with due intimation to the Borrower and unless and until notified by the Bank, the prevailing Spread will continue to apply and will be added to the applicable/ revised MCLR to determine the effective rate of interest. Provided, further that the interest payable by the Borrower shall also be subject to the changes in the interest rates made by Reserve Bank of India from time to time.
- j) The principal amount under the respective Facilities shall always include and/ or shall deem to and include also the interest calculated and debited to the loan account with rests mentioned hereinabove as well as all other charges, costs etc. debited in the account of the Borrower from time to time cumulatively.

2.7 FEE AND OTHER CHARGES

The Borrower shall pay to the Bank non-refundable fee and other charges as specified in the sanction letter.

2.8 SPECIAL CONDITIONS

In addition to the other terms and conditions stated in this Agreement, the General Conditions and the other Transaction Documents, the Borrower shall also comply with the terms and conditions specified in Schedule IV hereto.

2.9 EFFECTIVE DATE

This Agreement shall become binding on the Borrower and the Bank on and from the date mentioned in Schedule I (a) of this agreement.

2.10 EVENT OF DEFAULT

The Borrower agrees that if payment of any one or more instalment is defaulted on the due date or in the 'event of default' as specified in the General Terms and Conditions, the Bank may at its discretion, treat the whole amount outstanding under the credit facilities as due forthwith and payable by the Borrower to the Bank. In such an event, the Borrower shall be liable for the consequences of default as specified under the General Terms and Conditions and/ or this agreement.

2.11 PREPAYMENT CHARGES

The Borrower agrees that Bank is entitled to charge pre-payment charges as mentioned in Schedule II (c) of this agreement, if applicable as per sanction letter.

ARTICLE III

SECURITY

3.1 SECURITY FOR THE FACILITY

A. The Facility together with all interest, all fees, commitment charges, costs, charges, expenses and other monies whatsoever stipulated in or payable under this Agreement and the other Transaction Documents shall be secured by Primary/ Collateral Security as specified in Schedule III (a) of this Agreement

B. The security will be created in favour of the Bank, as required by the Bank, in a form and manner acceptable to the Bank.

C. The Borrower shall make out / ensure that the third party security provider (if any) shall, make out a good and marketable title to its properties to be mortgaged to the Bank and comply with all such formalities as may be necessary or required for the said purpose. In case the Borrower / third party security provider is a company, the particulars of charges shall be filed with the Registrar of Companies within the period prescribed by law.

3.2 CREATION OF ADDITIONAL SECURITY

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

3.3 GUARANTEE

(a) The Borrower shall procure and furnish to the Bank before any disbursement by the Bank under the Facility, irrevocable and unconditional joint and/ or several guarantee from the "Guarantors" morefully described under Schedule III (b) hereunder for the due repayment / payment of the Facility, all interest thereon and other monies payable by the Borrower in respect of the Facility, in a form prescribed by the Bank. The Borrower shall not pay any guarantee commission to the Guarantors.

(b) The Borrower shall ensure that the Guarantors observe all the covenants, terms, conditions, restrictions and prohibitions of the guarantee(s) and agrees that any violation of the same by the Guarantors shall constitute an Event of Default under this Agreement and the Bank shall be at liberty to recall the Facility and enforce the rights and remedies available to them under the Transaction Documents or otherwise.

ARTICLE IV

MISCELLANEOUS

4.1 INTERPRETATIONS AND CONSTRUCTION OF THE AGREEMENT

For the purposes of interpretation and construction of this agreement:

- a) Words importing one gender include the other;
- b) Words importing the singular or plural number include the plural and singular numbers respectively;
- c) Any schedule, and the provision and conditions contained in such schedule will have the same effect as if set out in the body of the agreement. In the event oof any conflict between the Schedule and the body of this agreement, the provisions and conditions in the Schedule of this agreement will prevail.

- d) The Section Headings or Chapter Headings used in this Agreement are intended for convenience only and shall not be used in interpreting this agreement or in determining any of the rights/ obligations of the parties to the Agreement.

4.2 **SEVERABILITY OF PROVISIONS**

The Borrower agrees that except as otherwise provided herein, if any provisions of this agreement shall be held by a Court of competent jurisdiction to be illegal, invalid or unenforceable, the remaining provisions and clauses shall remain in full force and effect.

4.3 **WAIVER OF RIGHTS INCONSISTENT TO THE AGREEMENT**

The Borrower(s)/ Applicant(s) hereby further waive all his/ her/their rights inconsistent herewith which the Borrower(s)/ Applicant(s) may otherwise be entitled to claim and enforce in respect thereof.

4.4 **VALIDITY OF THE AGREEMENT**

This agreement shall be valid and binding on the Borrower till the ultimate balance with interest thereon to become payable upon the said loan account including all moneys lent, advanced, paid or incurred together with interest, discount, commission and other banking charges as fixed by the bank from time to time and other costs, charges and expenses which may become payable in connection therewith.

Borrower

The South Indian Bank Ltd.

SCHEDULE – I

a.	Date and Place of Agreement	
b.	Details of the Borrower(s)	
	Name of the Borrower(s)	
	Constitution of the Borrower(s)	
	PAN/ TAN/ CIN of the Borrower	
	Name(s) of the signatories/ authorised signatory(ies)	
	Address of the Borrower	
	Fax No/s.	
	E-mail id	
	Phone No/s.	
	Attn: Mr./Ms.	
c.	Details of the Branch	
	Place of the Branch	
	Address of the Branch	
	Fax No/s.	
	E-mail id	
	Phone No/s.	
d.	Details of facility	
	Date of Sanction letter (LD 1100/ 1100A)	
	Nature of loan	
	Amount of facility (in figures)	
	Amount of facility (in words)	
e.	Purpose of loan	
f.	Person authorised to draw the facility	

SCHEDULE – II**a. Terms of Repayment**

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b. Applicable Rate of Interest

The Applicable Rate of interest for the facility granted/ to be granted to the Borrower is as follows:

Sl. No.	Nature of the limit month(s) MCLR	Reset period	Spread	Effective Rate of Interest (C + E)	Rest	Remarks, if any.
(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)
1							
2							
3							

c. Prepayment / Pre-closure Charges

The Borrower agrees that Bank is entitled to charge pre-payment/ pre-closure charges as mentioned herein below:-

SCHEDULE – III

a.	Details of Security	
	Primary Security	
	Collateral Security	
b.	Details of Guarantors	
1.	Name and address	
2.	Name and address	
3.	Name and address	

LD/ 2107

4.	Name and address	
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SCHEDULE - IV
SPECIAL CONDITIONS

Borrower

The South Indian Bank Ltd.