CREDIT FACILITY AGREEMENT
[FOR USANCE BILLS PURCHASE (UBP)/ USANCE BILLS DISCOUNTING (UBD)]

BETWEEN

_____Insert the name of the Borrower_____

AND

THE SOUTH INDIAN BANK LTD.

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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 accommodation to the Borrower by way of Usance Bills Purchase (UBP)/ Usance Bills Discounting (UBD) facility (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 the aggregate limit for the amount more particularly mentioned in Schedule I(d) hereto, for the bonafide trade requirements of the Borrower subject to the terms and conditions contained in this agreement, the Sanction letter, the General Terms and Conditions and other transaction documents.

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

IN CONSIDERATION OF the Bank having granted/agreed to grant the facility to negotiate Usance Bills to the extent of the sum more particularly mentioned in Schedule 1(d) hereto outstanding at any one time, the amounts of such Usance Bills being credited to the account of the Borrower less discount, which limit/s is/are liable to be enhanced or reduced at the sole discretion of the bank, the Borrower hereby agrees, covenants, confirms and records the terms and conditions (the terms and conditions herein described being liable to be altered/amended at the sole discretion of the bank.) upon which the facility 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.:

“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 Delhivide 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 PREAMBLE
The preamble portion of this agreement shall be deemed to be an integral part of this agreement.

2.2 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.

2.3 BASIS OF AGREEMENT
The Borrower’s Application and subsequent correspondence if any, with the Bank (hereinafter collectively referred to as “the Borrower’s proposals”) and Bank’s sanction letter referred to above shall be deemed to constitute the basis of this Agreement and of the credit facilities.

2.4 BORROWER’s WARRANTY
a) Notwithstanding anything contained in this agreement or in any other agreement executed or to be executed by the Borrower in favour of the Bank, the Borrower agrees to pay to the Bank on demand being made by the Bank the balances then outstanding and owing to the Bank under the aforesaid credit facilities, inclusive of all interest up to the date of payment, together with any service charges, commitment charges, commission, discount, costs, charges and expenses and all other moneys debited or which may be debited to the account(s).

b) The Borrower agrees/ declaresthat :-
(i) the Usance bill drawn will be payable within a period not exceeding 90 days.
(ii) the Usance bill will be drawn in the prescribed hundi paper applicable to the State with prescribed stamp duty.
(iii) the Bank will not purchase/discount bills drawn by/on parties whose bill(s) was returned earlier.

(iv) the Bank will not purchase/discount bills on those drawees who have paid their bills after the due dates and also bills drawn on whom Bank do not hold satisfactory reports.

c) The Borrower specifically agrees that he will present to the bank for negotiation and thereafter for credit of his current account only bonafide hundies arising out of the Borrower's business, the hundies being drawn by financially sound parties having standing and respectability in business and capable of repaying the hundi on its due date. The Borrower hereby declares that in respect of hundies executed by parties or business men of respectability and standing as aforesaid, he shall submit to the bank now and from time to time information in writing relating to the creditworthiness of each Borrower in the prescribed form or in any other form that may be required by the bank and shall correctly state therein the assets and liabilities of the party drawing such hundies which are presented to the bank for negotiation.

d) In respect of the reports referred to in Clause 2 (4) (c) supra the Borrower hereby agrees and declares that the creditworthiness of the parties/businessmen submitted by him/them are the correct and true position of the creditworthiness of the respective parties/businessmen and he/they has/have made necessary enquiries and collected sufficient material and information before submitting such information to the bank.

e) All hundies presented/ to be presented to the bank are/ shall be hundies properly executed by the parties described therein and that the Borrower has got such Usance bill executed in his presence/ will get such usance bill executed in his presence and that the Borrower declares/ shall ensure that the signatures referred to therein are the signature of the parties/businessmen described in the hundi/hundies and that he can identify the person if so called upon by the bank.

f) The Borrower declares that in respect of hundies tendered by him or to be tendered in future, the Borrower has paid the amount representing the consideration of the hundi to the party/businessman in cash and that the hundi tendered to the bank arise out of bonafide trade transaction and for which proper consideration has been given to the party/businessman who has drawn the hundi and that the Borrower is a holder in due course.

g) The Borrower hereby declares that he has requested the bank for grant of a limit as aforesaid and agrees to tender to the bank from time to time only hundies/bills of exchange drawn as per the terms and condition of sanction and tender them for purchase by the bank, the proceeds of which are to be credited to his/their account.

h) The Borrower hereby agrees to waive notice by the Bank to the Party/Borrower who executes the Hundi and hereby agrees waiving notice to the Borrower for effecting payment of the Hundi on the due date.

i) In the event of any of dishonour of any of the hundies/ bills, the Borrower hereby specifically waives notice of dishonour of the same.

j) The Borrower agrees that the bank shall be entitled to charge commission, interest and other incidental charges at such rate as the Bank may charge for this kind of advance in its regular/usual course of business in accordance with RBI directives, if any, from time to time or as decided by the bank from time to time. The Borrower agrees that the Usance bills tendered by him and purchased by the bank will be paid and retired promptly on the due
date and in the event of any such hundi becoming unpaid the Borrower agrees to effect payment of the same immediately on notice being given to him therefore. In the event of failure to effect payment on demand, the Borrower agrees to pay interest UPTO BANK’S MCLR PLUS THE MAXIMUM OF CUSTOMER SPECIFIC CHARGES (SPREAD), compounded with monthly rests or at such lending rate or rests that the bank determine to charge from time to time in terms of directives of RBI or otherwise at its discretion from the due dates of such usance bill(s). Such interest calculated at monthly rest or such other rest as may be decided by the Bank as per the directives of RBI shall form part of principal. The Borrower also agrees to pay penal interest @2% p.a. or such other rate fixed by the Bank and/or RBI, over and above the interest mentioned hereinabove.

2.5 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 II hereto.

ARTICLE III

INDEMNITY

The Borrower hereby specifically agrees to indemnify the bank against any loss or damage or risk in consideration of the bank extending the Usance bill discounting facility to him and against any loss or damage that may arise out of the non-payment, non-despatch of notice to the party or to the Borrower and for not protesting on the due date in case of dishonor of Hundies and for not taking steps that are required to be taken by the bank in respect of dishonored hundies or otherwise. The Borrower agrees that in the event of any such hundi becoming unpaid on the due date, the Borrower shall make good the amount to the bank and redeem the hundi and he will not insist or request the bank to exhaust any remedy or course of action against the drawer of the hundi and hereby waives such steps specifically. The Borrower agrees that as regards parties to the bill of exchange/hundi that the bank negotiates on account of the Borrower, he shall rank as the principal debtor in respect of such hundies discounted/negotiated, the proceeds of which are credited to the account of Borrower. The Borrower specifically agrees to any such terms and conditions that may be prescribed by the bank in consideration of extending such Usance bill discounting/hundi discounting limit to the Borrower now or hereafter.

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 of 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

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### SCHEDULE - II

**SPECIAL CONDITIONS**

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**Borrower**

The South Indian Bank Ltd.