

(To be stamped as an agreement of hypothecation)

LOAN CUM HYPOTHECATION AGREEMENT FOR "SIB RENTAL SCHEME"

BETWEEN

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

AND

THE SOUTH INDIAN BANK LTD

| | |
|--------|-----|
| Amount | Rs. |
|--------|-----|

This forms part of the Loan cum Hypothecation Agreement for "SIB Rental Scheme" executed between _____ **Insert the name of the Borrowers** _____ and **The South Indian Bank Ltd.** dated _____

Borrower(s)

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 "**Borrowers**" 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 the Bank has a loan scheme referred to as "SIB Rental Scheme" for granting financial assistance to the Borrower against the rent receivables in respect of premises owned and let out by the Borrower, towards meeting his/her/their various business/Personal needs (Hereinafter referred to as the "Scheme" Which shall include the scheme as modified from the time to time).

WHEREAS the Borrower being the absolute owner of the premises more fully described under Schedule I (d) of this agreement (hereinafter referred to as the "Said Premises") has / have given on lease the said premises to the person stated under Schedule I (d) (ii) of this agreement (hereinafter referred to as "Lessee") as per the terms and conditions contained in the lease deed, the details of which are furnished under Schedule I (d) of the agreement.

AND WHEREAS the Borrower has requested the Bank to grant a loan of the amount specifically stated under Schedule I (e) of this agreement in the nature of Demand Loan against the lease rentals receivable in respect of the said premises for the purpose mentioned under Schedule I (f) of this agreement under the said scheme.

AND WHEREAS the Bank has on execution of this agreement and in accordance with the terms and conditions contained herein, agreed to grant/ granted a loan for the sum amount specifically stated under Schedule I (e) of this agreement (hereinafter referred to as "the loan") by way of Demand Loan to the Borrower for the purpose stated by the Borrower.

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

In consideration of the Bank granting/ agreeing to grant the loan more particularly described in schedule I (e) of this Agreement, it is irrevocably and unconditionally agreed, declared, recorded and confirmed as follows:

ARTICLE I

TERMS OF THE FACILITY

1.1 Construction of the Agreement

- a. The preamble portion of this agreement shall be deemed to be an integral part of this agreement.
- b. The Borrower's Application for credit facility and subsequent correspondence with the Bank (hereinafter collectively referred to as "the Borrower's proposals") and Bank's sanction intimation letter shall be deemed to constitute the basis of this Agreement and of the credit facilities as

hereinafter stated.

c. The Borrower hereby agrees that the said advance shall be governed by the terms and conditions contained herein as well as those embodied in the loan sanction letter, Instrument of Hypothecation, Deed of Guarantee, and other loan and/or security documents except in so far as the loan/security documents may expressly or by necessary implication be modified by these presents.

1.2 Borrower's Warranty, Undertaking & Declaration

a. The Borrower has read and understood the rules and regulations of the scheme and the Borrower agrees that he/she/they shall be bound by the rules and regulations of the scheme under which the loan is granted/agreed to be granted and the amendments that may be made thereto from time to time.

b. The Borrower agrees to furnish to the Bank all such information as the Bank may require from time to time and also to submit necessary financial data and/or statements as required by the Bank.

c. The Borrower shall upon request of the Bank, allow the Bank and any nominee, servant or agent of the Bank to inspect the Borrower's premises and plant & machinery, vehicles and other assets and the Borrower's books of accounts for ensuring that the Borrower has duly complied with the terms of the advance.

d. The Borrower will furnish the Bank with all such information as the Bank may reasonably require for the Bank's satisfaction as due compliance with the terms of the advance and all such periodical reports and information at such times, in such form and containing such particulars as the Bank may call for, for the purpose of ascertaining the results of the utilisation of the said advance.

e. That the Borrower mutually agrees that each one or any of them are authorized and empowered by the others to appoint and acknowledge the Borrower's individual and collective liability to the Bank by any payment into the account or by way of express writing in any manner or otherwise and any such admission and acknowledgment of the liability by one or more of them shall be construed and deemed to have been made on behalf of each and all of them jointly and severally.

f. The Borrower agree/s to execute the lease deed in respect of the said premises in such form as may be required by the Bank and where such lease deed is already executed, to modify or alter the terms of the lease in such manner as may be required by the Bank, if called upon to do so by the Bank.

g. The Borrower shall keep the lease of the said premises valid and subsisting for the entire period of the lease granted/agreed to be granted and shall not do any act, deed or thing which may violate the terms of the lease or by which the lease may be terminated or revoked.

h. The Borrower agree/s that he shall not, without the consent of the bank in writing, permit the lease of the said premises or other person in possession or occupation to sublease or sublet the said premises.

i. The Borrower declare/s that all taxes, levies, cesses and all other outgoings in respect of the said premises and the said rent have been paid upto date and shall pay and continue to pay all such taxes, levies, cesses and all other outgoings becoming payable in respect of the said premises and the said rent in future and keep the said premises and the said rent free from all other encumbrance, charges, attachments, claims or demands until the said loan is repaid in full.

j. The Borrower declare/s that the said premises has been constructed in compliance of all rules and regulations, governing such construction and not to make any unauthorized construction in future.

k. The Borrower shall faithfully comply with all the terms and conditions of the lease/rent agreement entered into in respect of the premises, in particular those relating to maintenance and repairs of the premises, in the event of the Borrower committing default in complying with any of

the terms of the lease/rent agreement, the Bank may at its absolute discretion and without being bound to do so and without being liable or responsible to the borrower, carry out such repairs and maintenance or arrange for compliance with the terms and conditions of the lease/rent agreement, at the borrower's costs and expenses, and the costs incurred for the purpose shall be debited to the Borrower's account, and be payable by the Borrower to the Bank on demand and all such amounts carry interest applicable to the loan and be secured in like manner.

l. The Borrower hereby confirm that Borrower has no objection to the bank giving a separate mandate to Borrower's auditors for issue of certificate regarding diversion/siphoning off funds borrowed from the bank.

m. The Borrower hereby :

i. warrants the correctness of each and every statement and particulars therein contained and undertakes to carry out the Borrower's proposals therein set forth.

ii. declares and confirms that the said credit facilities shall be governed by the terms and conditions as set out in the Letters of Sanction issued by the Bank as also by the terms and conditions herein contained, as well as those embodied in the relative security documents.

iii. undertakes to notify in writing to the Bank of any circumstance(s) affecting the correctness of any of the particulars set forth in the Borrower's proposals immediately on the happening or occurrence of any such circumstance(s) and also agrees to inform the Bank about dissolution/Reconstitution of Firm on account of death/retirement/resignation etc. of parter(s) and also death of guarantor(s), property owners etc.

iv. undertakes that the credit facility advanced by the Bank shall be utilized for the purpose and in the manner set forth in the loan application read with the sanction intimation letter thereto and for no other purpose.

v. expressly agrees with the Bank that the Bank shall be entitled to refuse to grant the said credit facility or any part thereof which may remain to be advanced in the event of any of the representations, assurances, statements and particulars contained in the proposal being found to be incorrect, in the opinion of the Bank.

vi. expressly agrees with the Bank that the Bank shall be entitled to refuse to grant the said credit facility or any part thereof which may remain to be advanced in the event of failing to utilize the credit facility for the purpose for which or the manner in which or within the time stipulated in the sanction intimation letter.

m. The Borrower hereby agree that notwithstanding anything herein contained, the Bank is at liberty to recall the loan/advance/facilities made/provided, at any time, during the continuance of the above loan/advance/facilities, without assigning any reason whatsoever if the Bank considers that it is necessary for the best interest of the Bank.

1.3 Other General Terms

a. Save and except to the extent already disclosed in writing by the Borrower to the Bank, the Borrower hereby warrants and undertakes as follows:

(i) The Borrower has obtained all necessary statutory permission/sanction to avail the loan from the Bank and the executants of the documents are authorized to sign and execute loan documents and do all necessary things to avail the loan.

(ii) There are no mortgages, charges, lispensens or liens or other encumbrances or any rights of way, light or water or other easements or right of support on the whole or any part of the specified assets of the Borrower, except to the extent disclosed to the Bank.

(iii) The Borrower is not a party to litigation of a material character and that the Borrower is not aware of any facts likely to give rise to such litigation or to material claims against the Borrower.

- (iv) The Borrower has disclosed all facts relating to its properties to the Bank.
- (v) The Borrower agrees to furnish copy of Annual Financial Statements and Budget Estimates immediately after they are ready.
- b. So long as the loan account of the Borrower continue in the Books of the Bank in respect of the credit facility, the Borrower shall not avail of any credit facility or accommodation from any other Bank or Financial Institution or any person, firm or company in any manner without the previous permission in writing of the Bank nor shall deal with or through any other Bank or Financial Institution without having obtained in this behalf the prior written approval of the Bank. The Borrower also undertakes that no Current Account will be opened in any other Bank without the written concurrence of the Bank.
- c. During the currency of the credit facility, the Borrower shall not without obtaining the prior consent in writing of the Bank declare any dividend on its share capital, if it fails to meet its obligations to pay one or more instalments or any part thereof and/or commission/charges and/or other moneys payable to the Bank, so long as it is in such default.
- d. The Borrower liabilities and obligations hereunder shall not be affected by any change in the constitution of the Borrower, or in the constitution of the lessee or other person in possession or occupation of the said premises.
- e. During the currency of the said credit facility, the Borrower shall not, without the prior permission in writing of the Bank-
- (i) Effect any change in the Borrower's capital structure;
 - (ii) Formulate any Scheme of Amalgamation or Reconstruction;
 - (iii) Implement any Scheme of Expansion/Diversification/Modernisation other than incurring routine capital expenditure;
 - (iv) Make any corporate investments or investment by way of share capital or debentures or lend or advance funds to or place deposits with, any other concern except give normal trade credits or place on security deposits in the normal course of business or make advances to employees, provided that the Borrower may make such investments by way of deposits or advances that are required statutorily to be made as per the existing laws of the country or the rules or regulations or guidelines issued from time to time by the Authorities concerned.
 - (v) Undertake guarantee obligation on behalf of any third party or any other company/firm etc.
- f. The Borrower hereby undertake not to induct a person who is a director on the board of a company which has been identified as a willful defaulter and in case such a person is identified on a later date by the bank or Reserve Bank of India the Borrower shall remove him/her from the board immediately.

1.4 Disbursal of the facility

- a. The Borrower agrees that Bank is under no obligation to disburse the credit facilities on the same day of execution of loan/security documents/agreements by the Borrower and the Borrower agrees that Bank may disburse the credit facilities on a day subsequent to the date of execution of documents after satisfactory completion of all internal procedures of the Bank and compliance of all the requirements by the Borrower.
- b. The loan will be disbursed to the Borrower in lump sum or in instalment(s) as stipulated by the Bank.
- c. If the loan is being disbursed in stages, at least three clear days prior notice of drawal of any instalment of the loan should be given to the Bank, which advise may be waived by the Bank at its

option.

d. The Borrower authorizes the person specified under Schedule I (g) of this agreement to make request to the Bank for stage disbursement, receive the amount, give receipt and acknowledge debt etc. as may be required by the Bank.

ARTICLE II

REPAYMENT OF LOAN, INTEREST, OTHER CHARGES & EVENT OF DEFAULT

2.1 Repayment of loan

a. The Borrower agrees to repay the loan amount together with interest in the period specified in Schedule II (a) of this agreement in equated monthly instalments (EMI) stated in Schedule II (b) of this agreement.

b. The first of such instalment shall be paid on or before the date specified under Schedule II (c) of this Agreement and subsequent instalments on or before the same day of each month thereafter, till complete repayment.

c. The Borrower agrees that on account of upward revision of interest or for any other reason, without giving any reasons to the Borrower the Bank will have absolute liberty and discretion to refix the amount of instalment and in that event the Borrower shall be liable to repay the loan with revised interest at such revised instalment or the Bank may at its sole and absolute discretion extend the period of repayment mentioned hereinabove. In the event of the Bank intimating to the Borrower, the amendment/alteration to the amount of each instalment and/or the number of instalments, then the same shall be deemed to have been substituted here in this Agreement.

2.2 Interest

a) The Borrower agrees to pay interest at the rate on the rests specified under schedule II (d) of this agreement, with the rests mentioned therein. The Borrower understands that the term "**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 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.

b) Notwithstanding the above, the 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.

- c) The interest shall be calculated respectively on the daily balance of the amount due.
- d) 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.
- e) 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.
- f) 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.
- g) 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.
- h) Without prejudice to the above, the Bank will also have the right to charge and the Borrower will remain liable to pay penal interest @2% per annum or at such rate as may be prescribed by the Bank and/or the Reserve Bank of India, from time to time, in case the borrower violates any of the terms and conditions contained herein and/or in the sanction letter and/or for becoming the account irregular/out of order/Non Performing Asset and/or the credit rating of the Borrower is downgraded or on account of changes in risk weight stipulated by RBI or on any other circumstances, as the Bank may deem fit and necessary, provided that the charging or payment of such penal rate of interest shall be without prejudice to other rights and remedies of the Bank.
- i) On account of upward revision of interest, the Bank will have absolute liberty and discretion to re-fix the equated monthly instalment and in that event the Borrower shall be liable to repay the loan with revised interest at such revised equated monthly instalment or in the alternative the Bank may in its absolute discretion extend the period of repayment.

2.3 Pre- Payment Charges

If the borrower has availed the loan on Fixed Rate of Interest, the Borrower agrees to pay Prepayment Charges in the event of prepayment of the loan, either partly or fully at the rates mentioned below or at such other rates as may be fixed by the Bank from time to time:

- i) If the loan is closed from own sources after two years from the date of availment, no pre-payment charges will be charged.
- ii) If the loan is closed from own sources before 2 years, pre-payment charges @1% of the pre-paid amount will be charged.
- iii) If the loan is closed through take over by other Banks/Financial Institutions, pre-payment charges @2% of the pre-paid amount will be charged.

2.4 Payment of Other Charges/ Fees

- a. The Borrower agrees to pay all the charges/fees mentioned in Bank's sanction letter.
- b. The Borrower also agrees to reimburse to the Bank all charges for legal scrutiny of title deeds, expenses incurred for valuation of property/assets offered as security to the Bank, inspection of stock/security, unit visit, obtention of search reports / Encumbrance Certificate from Registrar of Assurances, obtention of search reports from Registrar of Companies, filing of charges/modification/satisfaction of charges with Registrar of Companies etc.
- c. The Borrower waives specific notice in respect of any such charges or revision thereof and notice published in the Notice Board displayed at the Branch of the Bank or entry in the account copy shall be deemed to be sufficient notice to the Borrower.
- d. The Borrower agrees that the Bank is at liberty to debit the loan account/s with interest, commission and all bank charges and such other charges arising out of the transaction and incidental expenses in connection with the inspection of security charged in favour of the Bank and the amount so debited shall be payable by the Borrower separately and shall be recoverable by the Bank as if that is part of the loan amount.

2.5 Statement of account/ extract from the computer to be conclusive proof

The Borrower(s) agrees to accept as conclusive proof of the correctness of any sum claimed to be due from them to the Bank under the respective agreements for credit facility(ies), a statement of account/ extract from the computer or otherwise without the production of any voucher/document/register.

2.6 Bank's right to appropriate amount paid by the Borrower(s)

The Borrower agree, declare, affirm and confirm that notwithstanding any of the provisions of the Contract Act or any other law or any terms and conditions to the contrary contained in this Agreement and/or any security documents, any payment(s) made by the Borrower to the Bank shall unless otherwise agreed by the Bank in writing be appropriated by the Bank in the following manner:-

First towards costs, charges, expenses and other moneys, due and payable or becoming due and payable to the Bank;

Secondly towards interest due and payable and/or accruing due and payable to the Bank; and

Lastly towards repayment of the amount of any instalment(s) of the Principal sums due and payable

or becoming due and payable to the Bank.

2.7 Events of Default

a. Notwithstanding anything contained herein or in the security documents, Bank may at its sole and absolute discretion, but without any obligation to do so, recall the whole advance and the Bank will be entitled to enforce its security upon the happening of any of the following events, viz:-

- i) Any instalments or portion of the principal monies and/or interest being unpaid upon the due date for payment thereof.
- ii) The Borrower committing any breach of default in the performance or observance of these presents and/or the borrower's proposal and/or security documents or any other terms or conditions relating to the advance;
- iii) The Borrower entering into any agreement or composition with its creditors or commit any act of insolvency;
- iv) Any execution or distress being enforced or levied against the whole or any part of the Borrower's properties;
- v) The Borrower going into liquidation or insolvency proceedings;
- vi) A Receiver being appointed in respect of the whole or any part of the property of the Borrower.
- vii) The Borrower ceasing or threatening to cease, to carry on its activities;
- viii) The occurrence of any event or any circumstance which is prejudicial to or impairs, imperils or depreciates or is likely to prejudice, impair, imperil or depreciate the security given to the Bank; and
- ix) The occurrence of any event or circumstance which would prejudicially or is like to prejudicially or adversely affect in any manner the capacity of the Borrower to repay the loan.

On the question whether any of the above events has happened, the decision of the Bank shall be conclusive and binding on the Borrower.

b. The Borrower hereby agrees that it shall observe and perform each and every of the obligations, covenants and declarations contained in this agreement and in the event of default in repayment of one or more instalments and/or any breach or default thereof the Bank shall be at liberty to call up the entire outstanding credit facilities and make it payable forthwith. Without prejudice to the aforesaid and in addition thereto, the Bank shall be at liberty to freeze the operations in the accounts at its discretion. In the event of Borrower persisting in its default, the Bank shall be entitled to charge, without prejudice to its other rights as aforesaid and without giving any notice in that regard at higher rate of two percent over and above the agreed/stipulated rate or at any such revised rate as may be fixed by the Bank and / or Reserve Bank of India from time to time.

ARTICLE III

SECURITY FOR THE FACILITY & OTHER TERMS

3.1 Pronote

The pronote shall operate as security 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.

3.2 Security

- a. The Borrower(s) agrees to furnish security, guarantee etc. as stipulated in the sanction letter of the Bank and as demanded by the Bank from time to time. The Borrower(s) agrees to maintain such security margin as may be stipulated by the Bank. The Borrower(s) also agrees that the security offered for one facility shall be additional security for all other credit facilities. The Bank shall have absolute right to decide whether or not it will accept security for the purpose of any/some/all of the aforesaid credit facilities any movables and other assets offered to the Bank from time to time by the Borrower(s). The Bank shall be at liberty at its sole and absolute discretion at any time without previous notice and without assigning any reasons whatsoever to cease to accept the security from the Borrower(s) and/or to cease make advance there against.
- b. The Borrower shall not, without the written consent of the Bank, create in any manner any charge, lien or other encumbrance on the security given to the Bank in respect of such advance or create any interest in such security in favour of any other party or person.
- c. Notwithstanding anything contained in this agreement any further or additional security given or that may be given to the Bank to secure the liabilities under this agreement or mortgage of properties or by any other form of security, shall be construed as additional and/or supplementary to this agreement and shall also be subject to and governed by the covenants herein.

3.3 Hypothecation of Rent Receivables

- a. As continuing security for the due repayment of the said loan with interest, costs and other charges and also as security for all liabilities of the borrower/s to the Bank, the Borrower/s do hypothecate and charge in favour of the bank, by way of first charge, all rents, fee, premium or other amounts (by whatsoever name called) which are due or owing or which may at any time hereafter become due or owing to the Borrower/s in respect of said premises or any portion thereof given out or to be given out on lease/rent by the borrower/s, more particularly described in Schedule III hereunder, (such rent, premium, fee or other amounts are hereinafter referred to as "the said rent receivables").
- b. The said rent receivables shall remain hypothecated to the Bank by way of first charge as security for the payment of the Borrower/s to the Bank of the said loan and also as security for the payment and discharge of all indebtedness or the liabilities of all or any one of the borrower/s to the Bank on general balance of account/s together with all interest, discount, commission, costs (inclusive of between Attorney and Client) charges and expenses payable to or incurred by the Bank in relation to the said advance or the enforcement of any or more of the securities. The said rent receivables shall always be the Bank/s absolute property at their sole disposal and free from any charges or encumbrances.
- c. Notwithstanding anything contained in the lease agreement entered into between the borrower/s and the lessee, Bank shall be entitled as attorney for and in the name of the borrower/s, or otherwise, to demand and receive said rent receivables and all other amounts due and payable on that may become due and payable to the borrower/s in respect of the said premises and to sue for, recover, receive and given receipt and discharge for the same and to appropriate all such receipts towards any amount due and payable by the borrower/s to the Bank under the said loan or any other liabilities of the borrower/s and / or to evict the lessee from the said premises and to

repossess the same, and / or to enter into lease, licence or other arrangements in respect of the said premises and also to vary, alter or modify the terms of existing lease in respect of the said premises. Performance of any or all such acts or exercising of rights/power delegated as attorney on the basis of power of attorney executed by the borrower/s or otherwise, shall be at the discretion of the Bank and Bank shall not be held liable or responsible for non-performance of any such acts or its consequences.

d. The Borrower will not receive, compound or release any of the said rent receivable nor do anything whereby the recovery of the same may be impeded, delayed or prevented without the consent of the Bank and will keep proper books of account of its business and will at any time when required produce such books for the inspection of the Bank and its officers and agents and allow it or them access thereto and to make copies of extracts from the same.

e. The Borrower shall not, without the prior consent of the Bank in writing, cancel or modify any of the terms of the lease of the said premises or terminate the lease prematurely or do any act, deed or thing by which the payment of rent in respect of the said premises is revoked, suspended or which may prejudice Bank's right to recover the loan from the said rent.

3.4 Undertaking from Lessee/ Tenant

The Borrower shall obtain and furnish to the Bank, in such form as may be required by the Bank, an undertaking or agreement, from the lessee, tenant or other person or persons in possession or occupation of the said premises from whom the said rent is due and owing or may become due and owing, to pay the said rent directly to the Bank and also execute a Power of Attorney in favour of the Bank in such form as may be required to enable the Bank to receive or collect the said rent directly from such person or persons.

3.5 Banks right on the premises leased out

a. Notwithstanding anything contained in the lease agreement entered into between the Borrower and the lessee, Bank shall be entitled as attorney for and in the name of the Borrower, or otherwise, to demand and receive said rent receivables and all other amounts due and payable on that may become due and payable to the Borrower in respect of the said premises and to sue for, recover, receive and given receipt and discharge for the same and to appropriate all such receipts towards any amount due and payable by the Borrower to the Bank under the said loan or any other liabilities of the Borrower and / or to evict the lessee from the said premises and to repossess the same, and / or to enter into lease, licence or other arrangements in respect of the said premises and also to vary, alter or modify the terms of existing lease in respect of the said premises. Performance of any or all such acts or exercising of rights/power delegated as attorney on the basis of power of attorney executed by the Borrower or otherwise, shall be at the discretion of the Bank and Bank shall not be held liable or responsible for non-performance of any such acts or its consequences.

b. The Borrower hereby agree/s that in the event of acquisition of the said premises by Government/Local body or any authority, Bank shall be entitled to claim and receive the compensation payable by such authority, as attorney of the borrowers and to appropriate such receipts towards the liability of Borrower. The Borrower agree/s to do the needful for ensuring receipt of such compensation directly the bank and also undertake/s that incase the compensation is received by the Borrower directly, the same shall be remitted to the bank.

3.6 Bank's right of General lien and Set Off

a. The Bank shall have the right of set-off/net off on the deposits of any kind and nature (including fixed deposits) held/balances lying in any accounts of the Borrower and on any monies, securities, bonds and all other assets, documents, deeds and properties held by/under the control of the Bank / their trustees or agents (whether by way of security or otherwise pursuant to any contract entered/to be entered into by the Borrower in any capacity) to the extent of all outstanding dues, whatsoever, arising as a result of any of the Bank' services extended to and/or used by the Borrower and/or as a result of any other facilities that may be granted by the Bank to the Borrower. The Borrower also notes the banker's lien available to the Bank on the aforesaid assets.

b. In addition to the above mentioned right or any other right which the Bank may at any time be entitled whether by operation of law, contract or otherwise, the Borrower authorises the Bank: (A) to combine or consolidate at any time all or any of the accounts and liabilities of the Borrower with or to any branch of the Bank; (B) to sell or dispose off any of the Borrower's securities or properties held by the Bank by way of public or private sale or assignment or in any other manner whatsoever without having to institute any judicial proceeding whatsoever and retain/appropriate from the proceeds derived there from the total amounts outstanding to the Bank from the Borrower, including costs and expenses in connection with such sale / disposal / transfer / assignment.

3.7 Bank's right to assign/ transfer rent receivables

The Bank shall be at liberty to assign / transfer the rent receivables, the debt and the benefit of these presents and the securities for the advance and security document to any agency/institutions for any purpose as deem fit and felt necessary for the Bank and the Borrower undertake/s to execute all such acts, things, deeds, documents or assurance as such agency/institution may require for perfecting such assignments.

3.8 Insurance

a. The Borrower agrees that all the assets hypothecated, pledged, mortgaged or otherwise charged to the Bank as security for the aforesaid credit facilities shall be kept at the Borrower's risk and expenses in good condition and fully insured against fire and/or such other risk(s) as the Bank may from time to time stipulate in the joint name of the Borrower and the Bank with an insurance company approved and suggested by the Bank and for such amount as the Bank may consider necessary and that the insurance policies shall be delivered to the Bank.

b. If the Borrower fails to effect such insurance, the Bank may, without being obliged to do so, insure the movable and immovable and other assets against fire and such other risk(s) in joint names of Bank and Borrower and debit the premium and such other charges to any account of the Borrower opened or to be opened.

c. The Borrower agrees that debiting of insurance premium for a particular year(s) will not cast any obligation on the Bank to take out insurance policies of the secured assets in subsequent years.

d. In the event of Bank being at any time apprehensive that the safety of the goods/assets is likely to be endangered owing to riot and/or strike (including fire arising therefrom) and/or floods, earthquakes etc. and/or also resulting in the loss of production therefrom, the Bank may at its own discretion, but without being bound to do so, insure or require the Borrower to insure in joint names against any damage arising therefrom, the cost of such extra insurance being payable by the Borrower be debited to any such account. e. If the Bank desires that the assets shall be insured against theft, the Borrower shall provide sufficient cover therefor.

f. The Borrower agrees that in the event of loss of insured asset, the Borrower shall submit the insurance claim to the insurance company under intimation to the Bank and in the event of receipt of claim amount directly from the insurance company the Borrower undertakes to remit the same to the Bank.

g. The Borrower further expressly agrees that the Bank shall be entitled to adjust, settle, compromise or refer to arbitration any dispute arising under or in connection with any insurance and such adjustment, settlement, compromise and any award made on such arbitration shall be valid and binding on the Borrower and also to receive all monies payable under any such insurance or under any claim made thereunder and to give a valid receipt authorize, and that the amount so received shall be credited to the Borrower's account and the Borrower shall not raise question that a larger sum might or ought to have been received or be entitled to dispute its liability for the balance remaining due on any account or accounts after such credit. Provided that the Bank may at its sole, absolute and unqualified discretion waive all or any of these requirements.

ARTICLE IV

DISCLOSURE OF DETAILS OF BORROWER AND VALIDITY OF THE AGREEMENT

4.1 Disclosure of details of Borrower(s)

(a) The Borrower(s) agree as a pre-condition of the credit facility granted by the Bank that in case any default is committed in the repayment of the loan/advance or in repayment of interest thereon or any of the agreed instalment of the loan on due date/s, the Bank and/or the Reserve Bank of India will have an unqualified right to disclose or publish the name and photograph of the Borrower(s) as defaulter in such manner and through such medium as the Bank or the Reserve Bank of India in their absolute discretion may think fit.

(b) The Borrower(s) agree as a precondition of the loan/advances given to him/them by the bank, the Borrower(s) hereby agrees and give consent to the disclosure by the Bank of all or any such (a) information and data relating to the Borrower(s), (b) the information or data relating to any credit facility availed of/to be availed by the Borrower(s) and (c) default, if any, committed by the Borrower(s) in discharge of Borrower(s)' such obligation as the Bank may deem, appropriate and necessary, to disclose and furnish to Credit Information Bureau (India) Ltd (CIBIL) or any other agency authorised in this behalf by RBI. The Borrower(s) also declares that the information and data furnished by the Borrower(s) to the bank are true and correct. The Borrower(s) undertakes that (a) the Credit Information Bureau (India) Ltd. (CIBIL) or any other agency so authorised may use, process the said information and data disclosed by the Bank in the manner as deemed fit by them; and (b) the Credit Information Bureau (India) Ltd. (CIBIL) or any other agency so authorised may furnish for consideration, the proposed information and data or products thereof prepared by them, to any Banks/Financial Institutions and other credit grantors or registered users, as may be specified by Reserve Bank of India in this behalf. Further, the Borrower(s) hereby confirm that the Borrower(s) shall not raise any dispute in whatsoever manner regarding information/details furnished to CIBIL/other authorities and the same is binding on the Borrower(s).

4.2 Agreement not prejudicial to any rights or remedies of the Bank

Nothing contained herein shall prejudice any rights or remedies of the Bank in respect of any present or future security, guarantee, obligation or decree for any indebtedness or liability of the Borrower to the Bank.

4.3 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.

4.4 Severability of provisions

If any provision of this agreement is illegal, invalid or unenforceable for any reason, it will be severed from the remaining provisions, which will remain unaffected.

4.5 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.

4.6 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.

4.7 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.

Borrower(s)

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 | |
| | Address of the Borrower | |
| | E-mail id | |
| | Phone No/s. | |
| 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 Lease |
| i) Description of the premises: | | |
| ii) Name and address of Lessee | | |
| iii) Period of Lease | | Fromto..... (..... Months) |
| iv) Rent fixed | | Rs..... (Rupees) |
| v) Date of Lease Deed | | |
| e. | Details of facility | |
| | Date of Sanction letter (LD 1100/ 1100A) | |
| | Amount of facility (in figures) | |
| | Amount of facility (in words) | |
| f. | Purpose of Loan | |
| g. | Person authorised to draw the loan | |

SCHEDULE – II

| | | |
|----|---|--------------|
| a. | Period of Loan | _____ months |
| b. | Equated Monthly Instalments (EMI) | |
| c. | Date of Payment of 1 st Instalment | |

d. 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 | | | | | | | |

f. Prepayment / Pre-closure Charges

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

SCHEDULE - III**Details of Rent Receivables hypothecated to the Bank****SCHEDULE - IV****SPECIAL CONDITIONS**

Borrower(s)