

(To be stamped as an Agreement)

CREDIT FACILITY AGREEMENT

(Form for specific Letter of Comfort/ Letter of Undertaking issued by the Bank)

BY

____ **Insert the name of the Borrower** ____

IN FAVOUR OF

THE SOUTH INDIAN BANK LTD

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

This forms part of the Agreement for credit facility executed by ____ **Insert the name of the Borrower** ____ in favour of **The South Indian Bank Ltd.** dated _____

Borrower

THIS AGREEMENT is made at the place and date as specified in Schedule I (a) **BY** such persons, whose name(s) and address(es) are as specified in Schedule I (b) (hereinafter referred to as the "**Borrower**" and/ or the "**Applicant**" which expression shall unless repugnant to the context or meaning thereof include its successors and assigns and all persons deriving/ claiming title there under) **IN FAVOUR OF** 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 Applicant(s), the Bank has issued/agreed to issue a Letter of Comfort/ Letter of Undertaking, in favour of the Beneficiary morefully described under Schedule 1 (d) of this Agreement in the format stipulated by the beneficiary, a copy whereof is annexed hereto, for the amount more particularly mentioned in Schdule 1 (e) of this agreement.

AND WHEREAS in consideration of Bank issuing/ agreeing to issue Letter of Comfort/ Letter of Undertaking as aforesaid, the Applicant(s) has/have agreed to indemnify the Bank on certain terms and conditions besides furnishing securities as may be required of the Applicant(s) by the Bank from time to time.

NOW THIS AGREEMENT TO INDEMNIFY AND GUARANTEE WITNESSETH AS FOLLOWS:

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 Condiitions and specifically named in Schedule I (b) of this Agreement.

"**Applicant**" means the "Borrower" as defined under Section 2.1 of the General Terms and Condiitions 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 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 APPLICANT'S UNDERTAKING

1.The Applicant(s) hereby jointly and severally undertake and agree to hold himself/herself/themselves responsible for the due performance of all the obligations specified in the Letter of Comfort/ Letter of Undertaking executed/ to be executed by the Bank on behalf of the Applicant(s).

2. The Applicant(s) hereby jointly and severally undertake to provide sufficient funds in the account of Applicant(s) as to enable the Bank to make the payment to the beneficiary when Letter of Comfort/ Letter of Undertaking is invoked by the beneficiary and the Applicant(s) hereby jointly and severally undertake to credit to the account of Applicant(s) such sum as may be required by the Bank.

2.4 INDEMNITY & COUNTER GUARANTEE

1. On demand, the Applicant(s) agree jointly and severally to indemnify the Bank and keep the Bank indemnified from and against all actions, proceedings, claims, demands, losses, damages, costs (including between attorney and clients) charges and expenses whatsoever that may be brought or made against or sustained or incurred by the Bank in consequence of Bank executing the Letter of Comfort/ Letter of Undertaking as aforesaid or otherwise howsoever in relation thereto.

2. The Applicant(s) confirm and covenant that this agreement to indemnify and counter guarantee shall continue to be in force and shall be available for the period of Letter of Comfort/ Letter of Undertaking and shall not be effected by any change in Applicant's constitution or of the bank.

3. The Applicant(s) agree that the indemnity and guarantee obligation hereby undertaken by the Applicant(s) shall be operative and be in force in addition to and concurrent/with any other

securities/guarantees or indemnity executed/may be executed hereafter by the Applicant(s) in favour of the Bank that is now in force or that may hereafter come into force.

4. The Applicant(s) agree that the obligation undertaken by the Applicant(s) to indemnify and save the Bank harmless against all claims as stated supra shall be irrevocable and shall continue to be in force until all obligations undertaken hereunder by the Applicant(s) is/are completely satisfied/discharged and until the Bank is fully reimbursed/indemnified against all claim including costs, charges and interest by the Applicant(s).

5. The Applicant(s) shall not be discharged or released from this counter guarantee by any arrangement made between the Applicant(s) and the said beneficiary with or without Bank's consent or by any forbearance whether as to time, payment, performance or otherwise.

2.5 INTEREST PAYABLE

(i) The Applicant(s) confirm that the Applicant(s) is/are liable to pay, indemnify and reimburse the Bank on demand such sum of money to the extent of loss or damage that the Bank has suffered or have been caused to the Bank on account of the Letter of Comfort/ Letter of Undertaking issued/may be issued and or renewed by the Bank together with interest thereon, UPTO MCLR PLUS THE MAXIMUM OF CUSTOMER SPECIFIC CHARGES (SPREAD) plus penal interest @2% per annum or at such other rates determined by the Bank from time to time, on failure of the Applicant to pay and reimburse Bank as demanded of the Applicant within a period of 7 days from the date on which the demand notice addressed to the Applicant is posted by the Bank.

(ii) The Applicant(s) further agree that the Applicant(s) is/are liable to pay interest at the rate stipulated above or at such other rate that may be charged by the Bank on account of change in Bank's lending rate.

2.6 AUTHORISATION TO THE BANK

The Applicant(s) hereby authorise the Bank irrevocably, irrespective of any dispute between the beneficiary and the Applicant(s) or notice to the Bank to the contrary by the Applicant(s) to remit the amount directly to the beneficiary immediately on demand being made by the beneficiary on the Bank in respect of Letter of Comfort/ Letter of Undertaking issued on Applicant(s)'s account with the Bank together with such charges, expenses, etc., whatsoever that is incurred on account of the guarantee together with the interest thereon, as claimed by the beneficiary and the said amount along with interest @ MCLR PLUS THE MAXIMUM OF CUSTOMER SPECIFIC CHARGES (SPREAD) plus penal interest @ 2% per annum and rates that the Bank may determine to charge in terms of the directives of Reserve Bank of India or otherwise at Bank's absolute discretion for the like facilities from time to time may be debited by the Bank in the Applicant's Account maintained with the Bank.

2.7 SECURITY NOT TO BE RELEASED TILL RETURN OF LETTER OF COMFORT/ LETTER OF UNDERTAKING

The Applicant(s) agree that it is not obligatory on the part of the Bank to release the securities provided by the Applicant(s) even after the expiry of the Letter of Comfort/ Letter of Undertaking period and the Bank is entitled to retain such securities until the original Letter of Comfort/ Letter of Undertaking is returned to the Bank duly discharged by the beneficiary and/or a certificate is furnished to the Bank by the beneficiary confirming that the Letter of Comfort/ Letter of Undertaking stands discharged.

2.8 WAIVER OF RIGHTS INCOSISTENT TO THIS AGREEMENT

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

2.9 NOTICE TO THE APPLICANTS

- a) The Applicant(s) confirm that any notice/demand may be served on them personally or by sending the same to the address registered with the bank or when no such address is registered to the last known place or address of the person to be served and a notice so sent shall be deemed to have been served on the 3rd day following that on which it is posted.
- b) The Applicant(s) confirm that an entry evidencing the posting of notice/demand in any register maintained by the Bank shall be conclusive and binding against the Applicant(s).

2.10 AGREEMENT IRREVOCABLE AND CONTINUING

The Applicant(s) confirm and covenant that this indemnity guarantee agreement shall be irrevocable and continuing guarantee notwithstanding the death of any one or more of the Applicant(s) and shall be binding on legal representatives and estates of such deceased person/s

2.11 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.

2.12 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.

2.13 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.

2.14 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/s

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 the Beneficiary	
	Name of the Beneficiary	
	Constitution of the Beneficiary	
	Address of the Beneficiary	
	Fax No/s.	
	E-mail id	
	Phone No/s.	
e.	Details of facility	
	Date of Sanction letter (LD 1100/ 1100A)	
	Nature of facility	LETTER OF COMFORT/ LETTER OF UNDERTAKING
	Amount of facility (in figures)	
	Amount of facility (in words)	

**SCHEDULE - II
SPECIAL CONDITIONS****Borrower**