CREDIT FACILITY AGREEMENT
(FOR PURCHASE/DISCOUNTING OF CHEQUES/BILLS)

BETWEEN
_____Insert the name of the Borrower_____

AND

THE SOUTH INDIAN BANK LTD

<table>
<thead>
<tr>
<th>Amount</th>
<th>Rs.</th>
</tr>
</thead>
</table>

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 purchase/discounting of cheques/drafts/documentary bills (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, with or without sub limit, sub limit, if any, having been specifically mentioned under Schedule I (d), 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.

AND WHEREAS the Bank has required the Borrower to execute an agreement embodying the terms and conditions upon which the aforesaid facility/facilities is/are extended to the Borrower and to be agreed specifically to the terms and conditions upon which such facility/facilities can be availed from now or from time to time hereafter (the terms and conditions herein described being liable to be altered/amended at the sole discretion of the Bank).

AND WHEREAS the Borrower is willing and agreeable to execute such an agreement agreeing specifically to the terms and conditions prescribed by the Bank while extending the aforesaid facility/facilities now or any amended, enhanced or reduced facility as described hereunder.

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

IN CONSIDERATION OF the Bank having granted/agreed to grant facility(ies) mentioned hereinabove, 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 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 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 that the Borrower will present to the Bank for negotiation and thereafter for credit of the account only bonafide cheques/bills arising out of the Borrower's business to be negotiated and credited to the account of the Borrower and in the case of dishonour of such instruments and/or undue delay in realisation of such instruments, the Borrower specifically agrees that the Bank can and may debit the Borrower's account with the amount of such instruments including interest thereon 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 may determine to charge from time to time in terms of directives of RBI or otherwise at its discretion from the date of purchase/discount and from the date of finance against the cheque/bills with or without documents lodged for collection and including all costs and commission payable to the Bank and/or its collecting agent. The interest compounded at monthly rests or such other rests as may decided by the Bank from time to time as per RBI directive will form part of the principal amount advanced. The Borrower agrees to pay penal interest @ 2% p.a. or at such rate fixed by the Bank and/or RBI, over and above the rate mentioned above. The Borrower also agrees to remit sufficient funds in the accounts to enable the Bank to debit the account with such amounts or to pay to the Bank such sum or sums of money when called upon to do so.

c) The Borrower agrees and declares that the documentary bills evidencing despatch of goods made and tendered to the Bank for negotiation, shall represent the actual goods according to the description, quantity, weight and nature described in the invoices attached to the documentary bills and agrees to draw the bill or bills only to the extent of an amount calculated at the market rate for such commodity or commodities as the case may be and the Borrower specifically declares that all advances received by him from the consignees shall be deducted and the amount/amounts of bill/bills drawn will be paid by the drawee upon presentation or upon due intimation.

d) The Borrower hereby agrees that in respect of bills or cheques tendered for negotiation and for crediting of the proceeds thereof to the account of the Borrower, the Bank shall not be held responsible or liable towards any loss in transit of the said bill or cheque or bills or cheques as the case may be due to miscarriage, loss in transit or loss of the documents or instrument as the case may be or due to any other cause beyond the control of the Bank and the Borrower will make good such amount or amounts upon being called upon to do so.

e) The Borrower hereby specifically agrees that in respect of documentary bills evidencing dispatch of goods tendered to the Bank for negotiation, the Bank shall not be held responsible or liable for any loss or damage to goods while in carriage in rail, steamship, steam boat or lorry, or country craft as the case may be and all losses in quantity, quality or otherwise shall be borne by the Borrower himself and the Bank will not be held liable for leakages, damages, shortages etc of commodity/ commodities while in transit due to pilferage, theft or miscarriage of goods or due to reasons arising out of any other circumstances or causes whatsoever and the Borrower specifically agrees that he shall bear such losses and if for any reason such bill/bills are not paid on presentation, the Borrower agrees that the Bank shall debit such amount or amounts to the account of the Borrower and the Borrower shall in the event of the account being not provided with sufficient funds, agrees specifically to provide the account with sufficient funds or pay to the Bank such sum or sums of money upon being called upon to do so.
f) The Borrower hereby agrees that in consideration of the Bank granting the aforesaid limit/limits any limit under any category hereafter he shall operate and avail such facility/facilities extended by the Bank and shall always be liable and responsible for making good to the Bank any sum or sum of money presenting cheques, clean bills or other documentary bills purchased and negotiated by the Bank and proceeds credited to the account in the event of any such bill, clean bill or cheque being dishonoured/unpaid on presentation or the Bank could not collect the proceeds of such cheques due to any circumstances herein described or due to failing in business or drawee Bank or other drawees becoming insolvent or are not found on destination and the Borrower hereby specifically agrees to make good to the Bank such amount or amounts represented by bills or cheques, as the case may be upon being called upon to do so.

g) In respect of bills negotiated by the Bank which are tendered by the Borrower, the Borrower specifically agrees that the Bank will not be held responsible for any wharfage, demurrage or other octroi or other taxes or rates payable due to the goods reaching the destination of the drawee not in time or otherwise and the Borrower hereby agrees to bear or make good such amount or amounts which are payable on the bills for obtaining release of the relative goods.

h) The Borrower hereby specifically agrees that in the event of documentary bills or cheques being subjected to any garnishee order the Borrower hereby specifically agree to make good the amount or amounts of such bills upon being called upon to do so and the Borrower agrees that he will himself take such action as may be necessary for obtaining release or discharge of any such order that may be served while the goods are in transit and before they are realized by the Bank.

i) The Borrower hereby agrees that in the event of any cheques negotiated for the Borrower, if any stop payment is made by the drawer, and the cheques could not be collected, the Borrower agrees to make good the amount or amounts upon being called upon to do so. The Borrower specifically agrees to the Bank debiting his account with the amount or amounts of dishonoured bills and cheques and provide sufficient amount in the account for such debits. The Borrower hereby specifically waives notice of dishonour.

j) The Borrower agrees and confirms that the Bank will not purchase/discount bills/cheques drawn by/on parties whose bill/cheque was returned earlier and the Bank will not purchase/discount bills/cheques on those drawees / payees who have paid their bills/cheques after the due dates and also bills/cheques drawn on whom Bank do not hold satisfactory reports.

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 III hereto.

2.6 **NOTWITHSTANDING CLAUSE**

Notwithstanding the execution of this agreement, the Borrower hereby agrees to any or all other terms and conditions and stipulation upon which the Bank agrees to extend the aforesaid facility/facilities to the Borrower and also to any amended rules and regulations of the Bank for transacting such business.
ARTICLE III
INDEMNITY

3.1 DELAY BEYOND THE CONTROL OF BANK

The Borrower hereby agrees that he shall not hold the Bank responsible for any delay beyond the control of the Bank in forwarding the bills or cheques for realization due to any circumstances and agrees to indemnify the Bank for all losses and expenses and risks in consideration of the Bank agreeing to negotiate the documentary bills and cheques for the Borrower, the proceeds of which are being credited to the account in terms of this agreement.

3.2 SPECIFIC INDEMNITY CLAUSE

The Borrower hereby further agrees and undertakes at all time hereafter to save, defend and keep the Bank harmless and indemnified of and from all manner of actions, suits, claims and demands whatsoever that the Bank may at any time hereafter sustain, bear or be put to any reason of the Bank acting or having acted as the Borrower’s agent;

i) for collection/negotiation of bills of exchange drawn by the Borrower, such bills being accompanied by lorry receipts, such lorry receipts being issued or purported to have been issued by the transport operators designated or selected by the Borrower from the list of approved transport operators prepared/maintained by the Bank.

ii) by allowing the Bank’s name to be mentioned as a consignee in such lorry receipts where the Bank has accepted the said bills of exchange for collection or has purchased or discounted such bills.

iii) or delivering the bills with all the accompanied documents such as invoice, lorry receipt etc. against payment to such buyers.

iv) for endorsing such lorry receipts to the Borrowers/buyers after they have retired the bills of exchange or for authorizing delivery of the consignment covered by such lorry receipts to the Borrowers/buyers after they have retired the bills of exchange.

ARTICLE IV
SECURITY

4.1 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 II (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.

4.2 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.

4.3 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” more fully described under Schedule II (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.

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.

ARTICLE V
MISCELLANEOUS

5.1 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.

5.2 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.

5.3 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.
5.4 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)

<table>
<thead>
<tr>
<th>Name of the Borrower(s)</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Constitution of the Borrower(s)</td>
<td></td>
</tr>
<tr>
<td>PAN/ TAN/ CIN of the Borrower</td>
<td></td>
</tr>
<tr>
<td>Name(s) of the signatories/ authorised signatory(ies)</td>
<td></td>
</tr>
<tr>
<td>Address of the Borrower</td>
<td></td>
</tr>
<tr>
<td>Fax No/s.</td>
<td></td>
</tr>
<tr>
<td>E-mail id</td>
<td></td>
</tr>
<tr>
<td>Phone No/s.</td>
<td></td>
</tr>
<tr>
<td>Attn: Mr./Ms.</td>
<td></td>
</tr>
</tbody>
</table>

## c. Details of the Branch

<table>
<thead>
<tr>
<th>Place of the Branch</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Address of the Branch</td>
<td></td>
</tr>
<tr>
<td>Fax No/s.</td>
<td></td>
</tr>
<tr>
<td>E-mail id</td>
<td></td>
</tr>
<tr>
<td>Phone No/s.</td>
<td></td>
</tr>
</tbody>
</table>

## d. Details of facility

<table>
<thead>
<tr>
<th>Date of Sanction letter (LD 1100/1100A)</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Nature of loan</td>
<td>Purchase/Discounting of Cheques/Bills</td>
</tr>
<tr>
<td>Amount of facility (in figures)</td>
<td></td>
</tr>
<tr>
<td>Amount of facility (in words)</td>
<td></td>
</tr>
</tbody>
</table>

### Sub limit, if any

<table>
<thead>
<tr>
<th>Nature of loan</th>
<th>Purchase of Bills</th>
<th>Discounting of Cheques</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amount of facility (in figures)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Amount of facility (in words)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
# SCHEDULE – II

## a. Details of Security

<table>
<thead>
<tr>
<th>Description</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

## b. Details of Guarantors

<table>
<thead>
<tr>
<th>Number</th>
<th>Name and address</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td></td>
</tr>
<tr>
<td>2.</td>
<td></td>
</tr>
<tr>
<td>3.</td>
<td></td>
</tr>
<tr>
<td>4.</td>
<td></td>
</tr>
</tbody>
</table>

# SCHEDULE - III

## SPECIAL CONDITIONS

| Borrower                  | The South Indian Bank Ltd. |