

(To be stamped as an agreement)

**AGREEMENT FOR LOAN AGAINST NATIONAL SAVINGS CERTIFICATES/ KISAN VIKAS
PATRAS**

BETWEEN

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

AND

THE SOUTH INDIAN BANK LTD

Amount	Rs.
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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)ANDThe South Indian Bank Ltd, a banking company 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 a Loan (Hereinafter referred to as the "**Facility**", which expression shall as the context may permit or require, mean any or each of the Facility granted by the Bank, or so much thereof as may be outstanding from time to time) of the amount more particularly mentioned in Schedule I(d) hereto against the the security of National Savings Certificates (NSC)/KissanVikasPatras (KVP) and other terms and conditions as specified in the Bank's sanction letter.

AND WHEREAS THE BORROWER has pledged and transferred/agreed to pledge and transfer the NSCs/KVPs, the details of which including the amount of the total face value is mentioned in Schedule II of this agreement, in favour of the Bank.

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

IN CONSIDERATION OF the Bank having granted/agreed to be grant the facility referred hereinabove to the Borrower, the Borrower acknowledges the pledge and transfer by him/ her/ them of the NSCs/ KVPs the details of which including the amount of the total face value is mentioned in Schedule II of this agreement and agrees, covenants, confirms and records the terms and conditions upon which the loan is granted as under:-

ARTICLE I

GENERAL TERMS OF THE FACILITY

1.1 AMOUNT

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

1.2 BORROWER's APPLICATION & BANK's SANCTION LETTER

The Borrower's Application for Loan/Credit Facility and subsequent correspondence 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. The Sanction letter allowing the facility shall be read in conjunction with the provisions of this Agreement and in the event of any inconsistency in the terms of the aforesaid sanction letter vis-à-vis the credit facility agreement, the terms mentioned in the sanction letter will prevail for all intents and purposes.

1.3 BORROWER's WARRANTY

The Borrower hereby :

- (a) warrants the correctness of each and every statement and particulars therein contained and undertakes to carry out the Borrower's proposals therein set forth.
- (b) 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.
- (c) 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 partner(s) and also death of guarantor(s), property owners etc. and in that event Bank may in its absolute discretion suspend operation / stop further withdrawal till fresh approval is obtained by the Borrower from the Bank for continuing the facility.
- (d) 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.
- (e) 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:-
- (i) any of the representations, assurances, statements and particulars contained in the proposal being found to be incorrect, in the opinion of the Bank.
- (ii) 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.
- (f) specifically agree that happening or occurrence of any of the matters, events or circumstances mentioned hereinabove, the opinion of the Bank shall be final.

ARTICLE II

REPAYMENT OF PRINCIPAL, INTEREST & CHARGES

2.1 REPAYMENT OF PRINCIPAL

The Borrower agrees:

- (i) To repay the loan as specified underschedule III (a) of this agreement;
- (ii) That the due date of instalment shall be corresponding to the date of disbursement, as per the periodicity (i.e. monthly/ quarterly/ half yearly/ yearly, as the case may be) mentioned in Schedule III (a) of this agreement;
- iii) That, on account of upward revision of interest or for any other reason,
- (a) the Bank will have absolute liberty and discretion to re-fix the amount of equated instalment and in that event the Borrower shall be liable to repay the loan with revised interest at such revised instalment and/or
- (b) the Bank may at its sole and absolute discretion extend the period of repayment mentioned hereinabove and/or
- (c) allow the Borrower to make lump sum payment which is sufficient to keep the originally fixed equated instalment amount and repayment period unaltered or the Bank may permit any combination of the aforesaid options.
- (iii) That in the event of any amendment/ alteration to the amount of instalment and/or the number of instalments on account of the above reasons, then the same shall be deemed to have been substituted in this Agreement.

2.2 INTEREST

The Borrower agrees to pay interest at the rate on the rests specified under schedule III (b) 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 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.

The Borrower further agrees as follows:

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.

(b) The interest shall be calculated respectively on the daily balance of the amount due.

(c) 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.

(d) 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.

(e) 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.

(f) 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.

Without prejudice to the above, the Bank will also have the right to charge and the Borrower will remain liable to pay penal interest at such rates 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..

2.3 FEE AND OTHER CHARGES

The Borrower shall pay to the Bank all expenses and charges such as service charges, processing charges, typing and postage expenses, legal notice expenses etc., which the Bank may incur.

2.4 EVENT OF DEFAULT

The Borrower agrees that if payment of any one or more instalment is defaulted on the due date or in the event of default in complying with any of the terms and conditions with regard to the above loan, the Bank may at its discretion, treat the whole amount outstanding under the aforesaid loan as due forthwith and payable by the Borrower to the Bank and the Bank will be entitled, but not bound, to recall the entire advance and enforce the security.

2.5 PREPAYMENT CHARGES

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

ARTICLE III

SECURITY

3.1 SECURITY FOR THE FACILITY

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 the Security as specified in Schedule II of this Agreement.

3.2 BORROWER'S WARRANTY ON SECURITY

(i) The Borrower agrees that the Bank shall be at liberty to do anything as regards the NSCs/KVPs to protect and perfect the Bank's right in the same. The Borrower further agrees

and undertakes to grant/execute further documents as may be found to be necessary or required by the Bank to safeguard and perfect Bank's right over the same.

(ii) The Borrower agrees to pay all expenses incurred by the Bank for safeguarding its interest over the NSCs/KVPs and agrees to make such payment along with the loan amount and interest on the date above mentioned for repayment of the loan.

(iii) 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.

(iv) 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.

ARTICLE IV

DISCLOSURE & OTHER COVENANTS

4.1 RIGHT OF BANK FOR DISCLOSURE

The Borrower agrees 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/or the photograph of the Borrower or the names of his/their company/firm/unit and its directors/partners/proprietors 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.

4.2 CONSENT FOR DISCLOSURE

The Borrower agrees as a precondition of the loan/advances given to him/them by the Bank the Borrower, hereby agree and give consent to the disclosure by the Bank of all or any such (a) information and data relating to the Borrower, (b) the information or data relating to any credit facility availed of/to be availed by the Borrower and (c) default, if any, committed by the Borrower 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 also declares that the information and data furnished by the Borrower to the bank are true and correct. The Borrower 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.

4.3 SPECIAL CONDITIONS

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

ARTICLE V

NOTWITHSTANDING CLAUSE

Notwithstanding anything contained herein or in the security documents, Bank may at its sole and absolute discretion recall the whole advance and the Bank will be entitled to enforce its security upon the happening of any of the following events, viz:-

- a) Any instalments or portion of the principal monies and/or interest being unpaid upon the due date for payment thereof.
 - b) The Borrower/s 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;
 - c) The Borrowers entering into any agreement or composition with its creditors or commit any act of insolvency.
 - d) Any execution or distress being enforced or levied against the whole or any part of the Borrower's properties;
 - e) The Borrower going into liquidation or insolvency proceedings;
 - f) Receiver being appointed in respect of the whole or any part of the property of the Borrower.
 - g) The Borrower ceasing or threatening to cease, to carry on its activities;
 - h) 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
 - i) 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.

ARTICLE VI

MISCELLANEOUS

6.1 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.

6.2 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.

6.3 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.

6.4 VALIDITY OF THE AGREEMENT

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

Borrower

The South Indian Bank Ltd.

SCHEDULE – I

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

SCHEDULE – II

Sl. No.	Name of Post Office	NSC/ KVP Sl. No.	Date of Issue	Due date	Regn. No.	Denomination	Maturity Value

SCHEDULE – III

a. Terms of Repayment

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b. Applicable Rate of Interest

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

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

c. Prepayment/ Pre-closure Charges

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

SCHEDULE - IV
SPECIAL CONDITIONS

Borrower

The South Indian Bank Ltd.