

(To be stamped as an agreement)

CREDIT FACILITY AGREEMENT
(FORM FOR BG LIMIT SANCTIONED)

BY

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

IN FAVOUR OF

THE SOUTH INDIAN BANK LTD

Amount	Rs.
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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

The South Indian Bank Ltd.

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).

AND WHEREAS during the course of the business, the Applicant(s) is/are required to furnish bank guarantees from time to time in such sum for such form, as the beneficiary/ies may require.

AND WHEREAS at the request of the Applicant(s), the Bank has issued/ agreed to issue/ renew Bank Guarantees in favour of the beneficiary/ies named/ to be named by the Applicant(s) from time to time in the format stipulated by the beneficiary for such sum and for such period as is specified or may be specified favouring the beneficiary/ies named/ to be named by the Applicant(s) in the proforma that may be required by the beneficiary/ies and approved by the Bank, subject however to the stipulation that the aggregate amount of such guarantee issued/ renewed at the request of the Applicant(s) by the Bank and remaining in force and/ or invoked by the beneficiary/ies and paid by the Bank but pending reimbursement to the Bank by the Applicant(s) and guarantees invoked by the beneficiary/ies but not yet paid by the Bank at any time shall not exceed the amount more particularly mentioned in Schedule 1 (d) of this agreement.

WHEREAS in consideration of the Bank agreeing to issue/ renew Bank Guarantees from time to time as aforesaid, the Applicant(s) agree 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 Conditions 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 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.

"**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 guarantee executed/ to be executed/ renewed 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/ies in respect of bank guarantee/s invoked by the beneficiary/ies and the Applicant(s) hereby jointly and severally undertake to credit to the account of Applicant(s) such sum as may be required of the Applicant(s) by the Bank to meet the demands of the beneficiary/ies in respect of each bank guarantee issued/ that may be issued from time to time under the limit fixed to the Applicant(s).

2.4 ISSUE/ RENEWAL OF BANK GUARANTEES

1. The Applicant(s) hereby agree and is/ are aware that Bank shall be at liberty to issue/ renew the Bank Guarantee in the format provided by the beneficiary but not bound to issue/ renew the bank guarantees up to the limit stipulated above though the Applicant(s) has/ have been sanctioned with the bank guarantee limit, if Bank were to decide without assigning any reason therefore at Bank's absolute discretion, not to issue bank guarantees on account of the Applicant(s).
2. The Applicant(s) confirm that it shall be open to the Bank to issue/ renew from time to time bank guarantees under the limit sanctioned from time to time as may be requested by the Applicant or any one of the Applicants in such specified form as may be required and approved by the Bank.

3. The Applicant(s) hereby request the Bank to issue/ renew bank guarantees with or without taking additional counter guarantees as and when Bank is requested by the Applicant or any one of the Applicants to issue/renew bank guarantees and is/ are issued by the Bank under the limit.

2.5 PAYMENT IN LIEU OF GUARANTEE PROVIDED BY BANK

1. That except in the event of the Bank being restrained by an order or injunction of a competent court from doing so, the Bank shall be entitled, at Bank's discretion and without any reference to the Applicant(s) or obtaining the consent of the Applicant or any of the Applicants, to make payment of all or any part of the sum or sums guaranteed by the Bank under or by virtue of all or any of such guarantees or a request or demand being made on the Bank for this purpose there under. Any request or demand made to or upon the Bank by the beneficiary or beneficiaries of all or any of such guarantees for payment of any sum or sums of money shall be sufficient authority from the Applicant(s) to the Bank for making such payment/s.

2. Notwithstanding the possibility, existence, pendency or continuance of any dispute or differences or of any arbitration proceedings or of any suit or other legal proceedings whatsoever between the Applicant or any of the Applicants and the beneficiary or beneficiaries of all or any of such guarantees and/or between the Applicants inter se which may directly or indirectly arise out of or under or in connection with the subject matter/s of all and any of such guarantees or which may affect the legality or validity of all or any such guarantees and/or of any transaction/s directly or indirectly connected with or relating to or arising out of subject matter/s of all or any of such guarantees, the reasonableness or propriety or validity of any such payment/s made by the Bank to such beneficiary or beneficiaries shall not be questioned by the Applicant(s) on any ground whatsoever and such payment/s shall be conclusive and binding on the Applicant(s) and each of the Applicants so far as it concerns Applicant(s) liability to the Bank hereunder.

2.6 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 bank guarantee/ s 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 all guarantee/s executed/ that may be executed/ renewed 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 concurrently with any other securities/guarantees or indemnity executed/may be executed hereafter by the Applicant(s) in Bank's favour 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 guarantee obligation undertaken hereunder by the Applicant(s) is/are completely satisfied/discharged and until the Bank is/are fully reimbursed/indemnified against

all claims including costs, charges and interest by the Applicant(s) as Bank certify as such and all the original guarantees are returned to the Bank duly discharged by the respective beneficiary.

5. The Applicant(s) shall not be discharged or released from his/her/their obligations hereunder by any arrangement made between the Applicant(s) and the beneficiary or beneficiaries of all or any of such guarantees without Bank's consent or by any forbearance whether as to time, payment performance or otherwise.

2.7 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 Bank Guarantee issued/may be issued and or renewed by the Bank together with interest thereon, UPTO APPLICABLE 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.

2.8 AUTHORISATION TO THE BANK

1. 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 any Bank Guarantee issued on Applicant(s)'s account with the Bank together with such charges, expenses, etc., whatsoever that is incurred on account of the said guarantee together with the interest thereon, as claimed by the beneficiary and the said amount along with interest up to applicable MCLR PLUS THE MAXIMUM OF CUSTOMER SPECIFIC CHARGES (SPREAD) plus penal interest 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. The Applicant(s) agree and confirm that it shall be open to the Bank to enforce Bank's right of reimbursement against the Applicant or any one of the Applicants jointly and severally in respect of each and every bank guarantee separately and such separate enforcement by the Bank shall not prejudice Bank's right and continuity of this counter guarantee/ indemnity agreement in respect of other Bank guarantees issued/ renewed on account of the Applicant(s) to the extent aforesaid.

3. The Applicant(s) hereby agree that Bank will have the absolute discretion without it being obligatory on the part of the Bank to proceed against the Applicant(s) separately and independently with regard to each guarantee issued by the Bank.

2.9 SECURITY NOT TO BE RELEASED TILL RETURN OF BANK GUARANTEE

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 Bank Guarantee period and/or

cancellation of limit and the Bank is entitled to retain such securities until the original Bank Guarantee 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 Bank Guarantee stands discharged.

2.10 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.

2.11 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).

2.12 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.

2.13 SPECIAL CONDITIONS

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

**ARTICLE IV
MISCELLANEOUS**

4.1 INTERPRETATIONS AND CONSTRUCTION OF THE AGREEMENT

For the purposes of interpretation and construction of this agreement:

- a) Words importing one gender include the other;
- b) Words importing the singular or plural number include the plural and singular numbers respectively;
- c) Any schedule, and the provision and conditions contained in such schedule will have the same effect as if set out in the body of the agreement. In the event of any conflict between the Schedule and the body of this agreement, the provisions and conditions in the Schedule of this agreement will prevail.
- d) The Section Headings or Chapter Headings used in this Agreement are intended for convenience only and shall not be used in interpreting this agreement or in determining any of the rights/ obligations of the parties to the Agreement.

4.2 SEVERABILITY OF PROVISIONS

The Borrower agrees that except as otherwise provided herein, if any provisions of this agreement

shall be held by a Court of competent jurisdiction to be illegal, invalid or unenforceable, the remaining provisions and clauses shall remain in full force and effect.

4.3 WAIVER OF RIGHTS INCONSISTENT TO THE AGREEMENT

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

4.4 VALIDITY OF THE AGREEMENT

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

APPLICANT/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 facility	
	Date of Sanction letter (LD 1100/ 1100A)	
	Nature of loan	BANK GUARANTEE LIMIT
	Amount of facility (in figures)	
	Amount of facility (in words)	

**SCHEDULE - II
SPECIAL CONDITIONS****Applicant/s**