

(To be stamped as an agreement)

CREDIT FACILITY AGREEMENT

(FOR FLEXI/ AGRI FLEX LOAN)

BETWEEN

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

AND

THE SOUTH INDIAN BANK LTD

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

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 the a loan more fully described in Schedule I (d) hereunder under South Indian Bank's Flexi Loan Scheme for the purpose mentioned under Schedule I (e) of this Agreement.

IN CONSIDERATION OF the Bank having advanced/agreed to advance a loan of the amount more fully described under Schedule 1 (e) of this agreement (hereinafter called "the loan" or "loan account" depending on the context) to enable the Borrower to carry out the purpose for which the loan is granted, the Borrower hereby agrees, covenants, confirms and records the terms and conditions upon which the loan is granted.

NOW IT IS HEREBY AGREED, DECLARED, RECORDED AND CONFIRMED BY THE BORROWER 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.

"**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

a) The Borrower's Application and subsequent correspondence with the Bank(hereinafter collectively referred to as "the Borrower's proposals") and Bank's sanction letter referred under Schedule 1 (d) of this Agreement shall be deemed to constitute the basis of this Agreement and of the credit facilities as hereinafter stated.

b) The Borrower/s hereby agrees that the said advance shall be governed by the terms and conditions contained herein as well as those embodied in the sanction letter, 'General Terms and Condition', Agreement of Hypothecation, Agreement 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.

2.4 DISBURSAL OF THE FACILITY

a. The loan will be disbursed to the borrower in one or more instalment(s) as may be required by the borrower.

b. The disbursement may be direct to the supplier or by credit to Savings Bank or Current Account of the Borrower, depending upon the purpose for which the loan is sanctioned.

c. The borrower shall give at least three clear days prior notice of drawal of any instalment of the loan which advise may be waived by the Bank at its option.

d. In the case of joint borrowing by more than one person, the person specified under Schedule I (f) of this agreement shall draw the amount in stages as stipulated.

ARTICLE III

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

3.1 REPAYMENT OF LOAN

The Borrower agrees to repay the loan as specified in Schedule II (a) of this agreement. The Borrower further agrees to pay interest for full six months, if the loan is closed before 6 months from the date of disbursement.

3.2 DUE DATE OF INSTALMENT

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). However, the Bank shall at its sole discretion have right to fix the due date of instalment, if so desires.

3.3 BANK'S RIGHT TO REFIXINSTALMENT AMOUNT

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. 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 here in this Agreement.

3.4 INTEREST PAYABLE

- a) The Borrower agrees to pay interest at the rate on the rests specified under schedule II (b) of this agreement, with the rests mentioned therein.
- 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.

3.5 PRE- PAYMENT CHARGES

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.

3.6 PAYMENT OF OTHER CHARGES/ FEES

The Borrower agrees to pay processing fee/upfront fee, commitment charges, valuation charges, documentation charges, inspection charges and such other charges fixed by the bank from time to time.

3.7 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' as specified in the General Terms and Conditions, the Bank may at its discretion, treat the whole amount outstanding under the credit facilities as due forthwith and payable by the Borrower to the Bank and the Bank will be entitled, but not bound to recall the advance and enforce the security.

ARTICLE IV

OTHER TERMS & CONDITION

4.1 UTILISATION OF LOAN

a) The Borrower shall utilize the loan only for the purpose for which it is sanctioned and the purpose should not be for hoarding, speculation or activity restricted by Government of India or State Government or local bodies. The Borrower agrees to submit proof of end use of the loan proceeds as stipulated by the Bank.

b) The Borrower undertakes that the loan will not be utilized for investment in non-banking business or in Agriculture or Plantation or Real Estate business or construction of Farm House or for trading in Transferable Development Rights (TDRs) (Applicable for Non Resident Indian Borrowers only)

4.2 AGREEMENT IRREVOCABLE AND CONTINUING

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

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 III hereto.

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) | |
| | 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) | |
| e. | Purpose of loan | |
| f. | Person authorised to draw the facility | |

SCHEDULE – II**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.