

(To be stamped as an agreement)

PERSONAL LOAN AGREEMENT

THIS AGREEMENT is made at _____ this the _____ day of _____, 2____ between

_____ (hereinafter called 'the Borrower' which expression shall, unless repugnant to the context or meaning thereof be deemed to include his/her/their heirs, executors, administrators, legal representatives, successors and permitted assigns) of the ONE PART and The South Indian Bank Ltd., a banking company within the meaning of the Companies Act, 1956 having its registered office at "SIB House", T.B.Road, Thrissur and one of its Branches at _____ among other places (hereinafter referred to as the "Bank" which expression shall, unless repugnant to the context or meaning thereof be deemed to include its successors and assigns) of the OTHER PART

WHEREAS the Borrower/s has applied to the bank for a loan/advance of Rs._____ (Rupees _____ only) for the purpose of _____

AND WHEREAS the bank agreed to advance/already advanced such loan upon the terms set forth in these presents and in other loan/security documents.

NOW BORROWER/S AGREES AND COVENANTS WITH BANK AS FOLLOWS

- 1) The Loan Application shall be deemed to constitute the basis of this agreement and of the loan advanced or to be advanced by the bank hereunder and the borrower hereby warrants the correctness of each and everyone of the statement and particulars therein contained and undertakes to carry out the proposals therein set forth.
- 2) 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 loan sanction letter, Instrument of Hypothecation, Deed 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.
- 3) The Borrower/s agrees and undertakes that the said advance shall be utilised exclusively for the purpose set forth in the Borrower's proposal and for no other purpose.
- 4) The Borrower/s agrees and undertakes to notify the bank in writing of any circumstances affecting the correctness of any particulars set forth in the Borrowers proposal immediately after the occurrence of any such circumstances.
- 5) The loan will be disbursed to the borrower in one or more instalment(s) as may be required by the borrower. 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. 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. In the case of joint borrowing by more than one person, Mr./Mrs/Ms. _____ shall draw the amount in stages as stipulated.
- 6) The Borrower agrees to repay the loan amount in _____ equated monthly instalments EMI) of Rs. _____. The first of such instalment shall be paid on or before _____ and subsequent instalments on or before the same day of each month thereafter, till complete repayment.
- 7) **Rate of Interest**

(a) "The Borrower agrees to pay interest at the rate mentioned in Column C herein below, with the rests mentioned below.

BASE RATE	SPREAD	EFFECTIVE RATE OF INTEREST (A+B)	REST
(A)	(B)	(C)	(D)

The Borrower understands and confirms that:-

- (i) The term 'Base Rate' means the reference rate fixed and/or varied by the Bank from time to time in accordance with RBI guidelines to determine the actual lending rate for loans and advances.
- (ii) The term 'Spread' means the Customer Specific Charges applicable to the specific borrower/constituent over and above the Base Rate, fixed and/or varied by the Bank from time to time. This may vary for different facilities availed/to be availed by the Borrower/Constituent.
- (iii) The term 'Effective Rate of Interest' means the aggregate of Base Rate and Spread. The Borrower agrees to pay the revised rate of interest as and when the Base Rate and/or the Spread is varied or modified by the Bank.

OR

The Borrower agrees to pay interest @ ____% p.a. (fixed) with monthly rests. The Borrower further agrees that Bank will have absolute liberty and discretion to reset the rate of interest on any day after every ____months from this date or from the date of previous interest rate reset date, as the case may be, and the Borrower undertakes to pay such revised rate of interest. Notwithstanding the above, the Borrower agrees that the Rate of Interest may increase on account of the directives of Reserve Bank of India 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 three months 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 3 months 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 3 months from the date of reset, the Borrower agrees to pay additional interest of 2% on the prepaid amount, calculated from the end of 3 month 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 Bank shall at any time by publication in the Notice Board of the concerned branch of the Bank/Website be entitled to charge interest at such higher effective rate or rests than the rate and rest mentioned in the respective agreements for credit facility(ies), on account of revision of Bank's Base Rate and in accordance with the rate and/or rest revised or varied by the bank. 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. 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 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.

- 7) On account of upward revision of interest, the Bank will have absolute liberty and discretion to refix the equated monthly instalment and in that event the Borrower shall be liable to repay the loan with revised interest at such revised equated monthly instalment or in the alternative the Bank may in its absolute discretion extend the period of repayment.
- 8) The Borrower agrees that Bank is entitled to charge pre-payment charges as mentioned herein below:-
 - a. If the loan is closed from own sources after two years from the date of availment, no pre-payment charges will be charged.
 - b. If the loan is closed from own sources before 2 years, pre-payment charges @1% of the pre-paid amount will be charged.
 - c. 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.
- 9) 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.
- 10) 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 one or more instalment(s) (EMI) 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/Guarantor(s) 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/Guarantor(s)'s properties;
 - f) The Borrower/Guarantor(s) going into insolvency proceedings;
 - g) A Receiver being appointed in respect of the whole or any part of the property of the Borrower/Guarantor(s).
 - h) The Borrower/Guarantor(s) ceasing or threatening to cease, to carry on its activities;
 - i) 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
 - j) 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.
- 11) The Borrower agrees that where Bank has made payment direct to the Supplier of goods along with the margin contributed by the Borrower, the Borrower shall ensure that goods are delivered promptly and in good condition and the Borrower shall furnish copy of necessary receipts, proof of delivery etc. to the Bank within one week from the date of disbursement.
- 12) The Borrower shall not, without the written consent of the Bank, create in any manner any charge, lien or other encumbrance on the security given to the Bank in respect of such advance or create any interest in such security in favour of any other party or person.
- 13) The Borrower agree that all the assets hypothecated, pledged, mortgaged or otherwise charged to the Bank as security for the aforesaid credit facilities shall be kept at the Borrower's risk and expenses in good condition and fully insured against fire and/or such other risk(s) as the Bank may from time to time stipulate in the joint name of the Borrower and the Bank with an insurance company approved by the Bank and for such amount as the Bank may consider necessary and that the insurance policies shall be delivered to the Bank. If the Borrower fails to effect such insurance, the Bank may, without being obliged to do so, insure the movable and immovable and other assets against fire and such other risk(s) in joint names of Bank and Borrower and debit the premium and such other charges to any account of the Borrower opened or to be opened. The Borrower agrees that debiting of insurance premium for a particular year(s) will not cast any obligation on the Bank to take out insurance policies of the secured assets in subsequent years. In the event of Bank being at any time apprehensive that the safety of the goods/assets is likely to be endangered owing to riot and/or strike (including fire arising therefrom) and/or floods, earthquakes etc. and/or also resulting in the loss of production therefrom, the Bank may at its own discretion, but without being bound to do so, insure or require the Borrower to insure in joint names against any damage arising therefrom, the cost of such extra insurance being payable by the Borrower be debited to any such account. If the Bank desires that the assets shall be insured against theft, the Borrower shall provide sufficient cover therefor. The Borrower agrees that in the event of loss of insured asset, the Borrower shall submit the insurance claim to the insurance company under intimation to the Bank and in the event of receipt of claim amount directly from the insurance company the Borrower undertakes to remit the same to the Bank. The Borrower further expressly agree that the Bank shall be entitled to adjust, settle, compromise or refer to arbitration any dispute arising under or in connection with any insurance and such adjustment, settlement, compromise and any award made on such arbitration shall be valid and binding on the Borrower and also to receive all monies payable under any such insurance or under any claim made thereunder and to give a valid receipt therefor, and that the amount so received shall be credited to the Borrower's account and the Borrower shall not raise question that a larger sum might or ought to have been received or be entitled to dispute its liability

for the balance remaining due on any account or accounts after such credit. Provided that the Bank may at its sole, absolute and unqualified discretion waive all or any of these requirements.

- 14) The Borrower shall upon request of the Bank, allow the Bank and any nominee, servant or agent of the Bank to inspect the Borrower's premises and plant & machinery, vehicles and other assets and the Borrower's books of accounts for ensuring that the Borrower has duly complied with the terms of the advance.
- 15) The Borrower will furnish the Bank with all such information as the Bank may reasonably require for the Bank's satisfaction as due compliance with the terms of the advance and all such periodical reports and information at such times, in such form and containing such particulars as the Bank may call for, for the purpose of ascertaining the results of the utilisation of the said advance.
- 16) The Borrower/s agrees that the Bank is at liberty to debit the loan account/s with interest, commission and all bank charges and such other charges arising out of the transaction and incidental expenses in connection with the inspection of security charged in favour of the Bank and the amount so debited shall be payable by the Borrower separately and shall be recoverable by the Bank as if that is part of the loan amount.
- 17) Save and except to the extent already disclosed in writing by the Borrower/s to the Bank, the Borrower/s hereby warrants and undertakes as follows:

The Borrower have obtained all necessary statutory permission/sanction to avail the loan from the Bank and the executants of the documents are authorised to sign and execute loan documents and do all necessary things to avail the loan.

There are no mortgages, charges, lispendens or liens or other encumbrances or any rights of way, light or water or other easements or right of support on the whole or any part of the specified assets of the Borrower, except to the extent disclosed to the Bank.

The Borrower are not a party to litigation of a material character and that the Borrower are not aware of any facts likely to give rise to such litigation or to material claims against the Borrower .

The Borrower have disclosed all facts relating to its properties to the Bank.

The Borrower agrees to furnish copy of Annual Financial Statements and Budget Estimates immediately after they are ready.

- 18) 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.
- 19) The Borrower shall carry on the business efficiently, properly and profitably and such business shall be continued to such manufacturing and/or trading activity as have been notified to the Bank and for which the Bank has sanctioned or agreed to sanction the credit facility and shall keep all the licenses, leases, contracts, engagements essential for carrying on the manufacturing and/or trading activity, renewed from time to time and shall not allow any interruptions or disturbances to happen to the business.

The Borrower shall maintain proper books of accounts and such other registers, books, documents, relating to the business as may be statutorily required or as may be required by the Bank or as may be necessary and/or generally kept in the business of the kind carried on by the Borrower and shall get the accounts, books duly audited. The Borrower shall, if so required by the Bank, allow the Bank to inspect such books duly audited.

- 20) The Borrower shall submit to the Bank periodically as required by the Bank copies of the Balance Sheet and Profit and Loss Account duly audited and also furnish required statements, reports, returns, certificates and information and will also execute all documents, and provide other collateral and do all acts and things which the Bank may require to give effect to any of the terms and conditions set out herein.
- 21) The Borrower agree to accept as conclusive proof of the correctness of any sum claimed to be due from them to the Bank under this agreement, a statement of account/extract from the computer or otherwise and signed by a duly authorized officer of the Bank without the production of any voucher/document/register.
- 22) That the Borrower mutually agrees that each one or any of them are authorized and empowered by the others to appoint and acknowledge the Borrower's individual and collective liability to the Bank by any payment into the account or by way of express writing in any manner or otherwise and any such admission and acknowledgment of the liability by one or more of them shall be construed and deemed to have been made on behalf of each and all of them jointly and severally.
- 23) During the currency of the credit facility, the Borrower shall not without obtaining the prior consent in writing of the Bank declare any dividend on its share capital, if it fails to meet its obligations to pay the interest and/or commission and/or instalments or instruments and/or other moneys payable to the Bank, so long as it is in such default.
- 24) During the currency of the said credit facility, the Borrower shall not, without the prior permission in writing of the Bank-
 - a) Effect any change in the Borrower's capital structure;
 - b) Formulate any Scheme of Amalgamation or Reconstruction;
 - c) Implement any Scheme of Expansion/Diversification/Modernisation other than incurring routine capital expenditure;
 - d) Make any corporate investments or investment by way of share capital or debentures or lend or advance funds to or place deposits with, any other concern except give normal trade credits or place on security deposits in the normal course of business or make advances to employees, provided that the Borrower may make such investments by way of deposits or advances that are required statutorily to be made as per the existing laws of the country or the rules or regulations or guidelines issued from time to time by the Authorities concerned.
 - e) Undertake guarantee obligation on behalf of any third party or any other company/firm etc.
- 25) The Borrower agrees that the moneys brought in by the principal shareholders/directors/depositors/other associate firms/group companies for financing the needs of the Borrower will not be allowed to be withdrawn, during the currency of the said credit facility, without the permission of the Bank.
- 26) The Borrower agrees that it will maintain adequate Books of Accounts which would correctly reflect its financial position and scale of operations and would not radically change the Accounting System without prior consent of the Bank.
- 27) On demand the Borrower agrees to deliver to the Bank post-dated cheques for the monthly instalments and the Borrower warrants that the cheque will be honoured on first presentation. Any non-presentation of a cheque due to any reason will not affect the liability of the Borrower to pay the monthly instalments or any other sum. The Borrower agrees to forthwith replace the cheque/issue fresh cheques if required by the Bank. The borrower shall not be entitled to call upon the Bank to refrain from presenting any cheque for

payment and if the borrower does so, the Bank shall nevertheless be entitled to present the cheque for payment and in the event of dishonour the provisions under Chapter XVII of the Negotiable Instruments Act, 1881 shall apply.

- 28) 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's 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.

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.

- 29) The Borrower agree, declare, affirm and confirm that notwithstanding any of the provisions of the Contract Act or any other law or any terms and conditions to the contrary contained in this Agreement and/or any security documents, any payment(s) made by the Borrower to the Bank shall unless otherwise agreed by the Bank in writing be appropriated by the Bank in the following manner:-

- i. First towards costs, charges, expenses and other moneys, due and payable or becoming due and payable to the Bank;
- ii. Secondly towards interest due and payable and/or accruing due and payable to the Bank; and
- iii. Lastly towards repayment of the amount of any instalment(s) of the Principal sums due and payable or becoming due and payable to the Bank.

- 30) (a) The Borrower agree as a pre-condition of the credit facilities granted/to be 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 photograph of the Borrower 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.

(b) The Borrower hereby undertake not to induct a person who is a director on the board of a company which has been identified as a willful defaulter and in case such a person is identified on a later date by the bank or Reserve Bank of India the Borrower shall remove him/her from the board immediately.

(c) The Borrower hereby confirm that Borrower has no objection to the bank giving a separate mandate to Borrower's auditors for issue of certificate regarding diversion/siphoning off funds borrowed from the bank.

- 31) (a) The Borrower understands that as a pre-condition, relating to grant of the credit facilities, The South Indian Bank Ltd., requires Borrower's consent for the disclosure of, information and data relating to the Borrower, of the credit facility availed of/to be availed of, by the Borrower, obligations assumed/to be

assumed, by the Borrower, in relation thereto and default, if any, committed by the Borrower, in discharge thereof.

(b) Accordingly, the Borrower hereby agree and give consent for the disclosure by The South Indian Bank Ltd. of all or any such;

- i) information and data relating to the Borrower.
 - ii) The information or data relating to any credit facilities availed/to be availed by the Borrower and
 - iii) Default, if any, committed by the Borrower in discharge of obligation of Borrower ,
- as the Bank may deem appropriate and necessary to disclose and furnish to Credit Information Bureau (India) Ltd (CIBIL) and/or any other agency authorised in this behalf by RBI.
- (c) The Borrower also declare that the information and data furnished by the Borrower to the bank are true and correct.
 - (d) The Borrower undertake that
 - (i) the Credit Information Bureau (India) Ltd. (CIBIL) and/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
 - (ii) 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.

32) The Borrower further agrees to comply with other additional terms and conditions, if any, specified in the ***Schedule*** hereinbelow.

IN WITNESS WHEREOF the parties hereto have set their respective hands to this deed on the date, month and year above mentioned.

Signature of Authorised
Officer of the Bank.

Signature of Borrower.

SCHEDULE

ADDITIONAL TERMS & CONDITIONS

Signature of the Authorised
Officer of the Bank

Signature of the Borrower.