

BONV (to be stamped as an agreement)

BON VOYAGE AGREEMENT

This agreement executed thisday of20.. at....., in favour of The Karur Vysya Bank Limited, a Banking Company registered under the provisions of the Indian Companies Act, 1913 having its Registered Office at Erode Road, Karur - 639002 and a Branch at..... (hereinafter called 'the bank' which expression shall include its successors and assigns)

BY

(Borrower name & constitution),
(hereinafter referred to as the 'Borrowers' which expression shall include his/her/their heirs / executors/ administrators / successors and assigns);

Whereas the Bank, at the request of the Borrower, has granted/agreed to grant the below mentioned loan/credit facility to the Borrower/s on or after execution of this agreement.

Whereas the Borrower has agreed to avail the loan/credit facility on the terms, conditions and covenants herein contained or contained in any other document connected to the loan.

LOAN/LIMIT: KVB BON VOYAGE Loan of Rs. (Rupees Only). The borrower shall be entitled to avail the entire loan in a single stage or in various stages to suit their requirements.

PURPOSE: The loan/ credit facility shall be utilized by the Borrower for the below mentioned purpose only and not for any other purpose. Borrower/s further agree/s that notwithstanding anything contained in this agreement, the Bank shall have the right to recall the entire loan amount together with interest and other charges or any part thereof and/or withdraw the concessions if any, such as reduced rate of interest, subsidy, in case the loan amount is/has been used for any purpose other than for which it has been sanctioned or if the bank apprehends or it has reason to believe that the borrower/s has/have violated or is violating the condition.

Purpose: For the purpose of meeting the expenses relating to foreign travel.

REPAYMENT: The Term Loan, along with interest, is repayable in monthly/ equated monthly instalments or as stipulated in the Schedule given below, provided that in case of default in payment of any one instalment or any part thereof or any other irregularity on the part of the borrower/s, the entire balance then outstanding with interests, costs, commissions and charges shall, if the bank so chooses, at once become due and payable.

- (i) That if the total amount repayable to the Bank is increased on account of any upward change in rate of interest, or levy of taxes or whatsoever that may be

levied by the Government etc., the Borrower agrees to pay the increased amount of loan and the number of instalments shall automatically stand increased correspondingly.

- (ii) If the Borrower has handed over post dated cheques (PDC) to the bank towards repayment, the Borrower agrees to handover sufficient number of additional PDC to cover the increased EMI.
- (iii) If the Borrower has made arrangements for electronic credit of the instalments, Borrower agrees to keep the instructions in force till the additional instalments are also repaid.

The Borrower/s agree/s to maintain sufficient balance/drawing limit in his/their Savings Bank/Current/ Overdraft/ Cash Credit account and hereby authorize/s the Bank to transfer the periodical instalments and interest towards Term Loan, as and when they become due.

Rate of Interest: The borrower agrees to pay interest @ % (Fixed/Floating) which is % over and above the Base Rate of the Bank, (Present Base Rate = ... %), compounded at monthly rests, together with all costs, charges, etc.

The interest will be calculated based on the daily balances in the loan accounts, such interest being added to the balance outstanding at the end of each calendar month, and the said interest, if unpaid, will become part of the amount advanced {(i.e.) the principal as mentioned above} and bear interest at the same rate.

The borrower hereby undertakes to pay the interest accrued in the loan account during the holiday period, if allowed, as and when debited.

If the Bank, at the request of the borrower or as per RBI guidelines, expressly waives payment of interest during the moratorium period, the interest accrued during the moratorium period will be capitalized and added to the principal sum on commencement of the repayment period and the same shall be repaid along with principal as per the agreed repayment period.

Revision of interest rate: The Borrower agrees that Bank may review and revise the Base Rate at any time or as per guidelines of RBI issued from time to time. The Borrower further agrees that the Bank may change the customer specific charges or the term premium or the risk premium at any time; and consequent to such revision in the Base rate or other charges/premium, if the lending rate changes, the borrower agrees to pay the interest at the revised floating lending rate.

Such revision in Base rate/ lending rate as notified by the Bank in its Notice Board or Website or through other channels of mass communication shall be sufficient notice and the Borrower waives individual notice of the change.

Interest Rate Re-set:

Borrower agrees that the Bank is at liberty to re-set the fixed/floating lending rate due to change in the internal credit rating given to the borrower or variation in the credit rating done by any other external credit rating agency, or due to changes in the economic environment or changes in RBI Guidelines or due to any other reason, once in .. year/s, which the borrower agrees to pay. It is further agreed by the Borrower that any improvement in credit rating or economic environment etc., does not entitle the borrower to claim reduction in the lending rate automatically. It is further agreed that the Borrower is liable to pay the agreed rate of interest till the date of re-set.

TERM LOAN PRE-PAYMENT IN EMI LOANS: If the borrower wishes to pay any instalment or part thereof ahead of the agreed repayment schedule (henceforth called as pre-payment), borrower is entitled to do so either under "Partial Pay-off" method OR under "Advance payment" method.

Partial pay off method: The prepaid amount will be credited to the loan account and reduces the principal outstanding. However, Borrower should continue regular repayment of future instalments. The repayment terms of the loan will be rescheduled by either keeping the term as fixed or EMI amount as fixed, as per the option of the customer.

Advance payment method: The prepaid amount would be kept in RPA (Repayment pending appropriation) account and it will not result in reduction of principal amount. As and when the future installments fall due, the amount available in 'Repayment pending appropriation' account would be appropriated towards such dues.

TERM LOAN PRE-PAYMENT IN NON-EMI LOANS: Pre-payment can be made only under 'Advance payment' method. The prepaid amount would be kept in RPA (Repayment pending appropriation) account and it will not result in reduction of principal amount. As and when the future installments fall due, the amount available in 'Repayment pending appropriation' account would be appropriated towards such dues.

It is hereby agreed that the Borrower can chose either of the options at the time of pre-payment but once the option is exercised, it cannot be changed later.

PRE-CLOSURE: In case the revision in interest rate on the re-set date is not acceptable to the borrower, and if the Borrower wishes to prepay the entire dues and close the loan, the borrower shall inform their intention to the Bank within 15 days from the date of issuance of notice by Bank, and an option is given to the borrower to pre-pay and close the loan without any prepayment charges, within 3 months from the date of notice given by Bank, if the prepayment is made from their own resources.

PRE-CLOSURE CHARGES: If the borrower wants to pre-pay any instalment or close the loan due to any other reason other than increase in the lending rate and if the funds remitted for such pre-closure/pre-payment are not from their own resources, pre-closure charges of .. % shall be paid on the amount so prepaid, (ahead of what has been mentioned in the enclosed repayment schedule) which shall be payable along with such pre-payment.

PENAL INTEREST: The borrower/s agree/s that the Bank is entitled to charge penal interest @ % p.a. in case of default in paying the instalments/ interest dues on the due dates, and the penal interest would be charged on the amount overdue and for the overdue period, till the defaulted amount is repaid and account regularized.

The borrower/s agree/s that the Bank is also entitled to charge such penal interest in the event of non-adherence to any of the terms and conditions contained in the sanction communication or for any irregularity or breach of terms contained in this agreement or violation of Reserve Bank of India directives/Bank rules and agree/s to pay interest at such enhanced rates on the outstanding balance for the period of such default or for such period as the irregularity or breach continues, provided that the charging and payment of such enhanced rate of interest shall be without prejudice to the other rights or remedies of the Bank, either under this agreement or by law, to proceed against the borrower and/or the security/ies for such irregularity or breach.

Notice regarding charging of overdue interest is waived by the Borrower/s.

SECURITY: In consideration of the Bank having granted/agreed to grant the loans /credit facilities, the borrower has agreed/undertaken to create mortgage /charge on the property mentioned in the schedule. The Borrower further agrees that the security be held as security for any other loans or liability of the borrower/s to the bank.

Other terms & Conditions:

Usage of foreign exchange shall be subject to compliance with the provisions of Foreign Exchange Management Act, 1999 and Rules and Regulations made under the Act and /or any other relevant Acts which are applicable and in force from time to time. Any unutilised foreign exchange shall be surrendered by the borrower in accordance with the provisions, rules and regulations of the aforesaid Act/Acts.

The borrower agrees to meet the margin requirement and also agree to meet any other expenses which are ineligible for the loan, from the borrower's own resources.

That, in case the borrower is a firm, no change in the constitution of such firm during the continuance of this agreement shall impair or discharge the liability of the borrower or any one or more of them hereunder.

That, if the borrower/s be more than one individual each one or any of them is/are authorized and empowered by the other/s of them to admit and acknowledge his/their liability to the bank by any payment into the account/s or by way of express writing in any manner or otherwise and any such admission and acknowledgement of the liability by one or more of them shall be construed to have been made on behalf of each of them.

That, this agreement is not to prejudice the rights and remedies of the bank against the borrower/s irrespective and independent of this agreement in respect of any other advances made or to be made by the bank to the borrower/s.

That, the borrower/s hereby agree/s that the bank may hold all securities belonging to borrower which may now be in the bank's possession or which may at any time hereinafter comes into bank's possession and the proceeds thereof respectively not only for the specific advance made thereon but also as collateral security for any other monies now due or which may at any time be due from borrower/s to the bank, whether singly or jointly with another or others.

Insurance: That, the Borrower agrees to take a Travel Insurance policy which covers Death or disablement due to accident, hospitalization expenses, additional expenses towards alternative travel arrangement due to detour or cancellation of flight and loss / damage to baggage whilst on tour, etc., with an insurance company approved by IRDA. In case the Borrower wishes to cover additional risks, they may do so. The policy shall be taken by the borrower/s either in the name of the Bank or taken in the name of the borrower/s and assigned to the Bank and in either case, the policies shall be handed over to the Bank. The Borrower/s shall duly and punctually pay the premium on the policies atleast one week before the same shall become due or payable and handover the receipt to the Bank within seven days of payment and the borrower/s agree/s not to raise at any time any dispute as to the extent of the insurable interest of the Bank.

If the borrower/s make/s any default in effecting such insurance as aforesaid or in renewing any policy or in payment of such premia, it shall be lawful but not obligatory for the Bank to effect such insurance or to renew or to pay such premia and debit the expenses incurred by the Bank for the purpose to the borrowers' said loan/cash credit/overdraft/current account with the bank and the same shall be treated as advances secured by this agreement. In such an event, the Bank will, at its discretion, take a suitable policy. In case the Borrower wishes to cover additional risks, they may do so by paying the additional premia and get the endorsements.

It is specifically agreed that the non-obtention or non-renewal of insurance policy by the bank due to any reason shall not be questioned by the borrower since it is the primary obligation of the borrower to ensure that the risks associated with foreign travel are sufficiently insured at all times. It is also specifically agreed that the non inclusion of any specific risks in the policy, if the policy is taken by the bank, shall not be questioned by the borrower.

All sums received under any such insurance as aforesaid shall after deducting there from of all expenses, be applied in or towards the liquidation of the balance due to the Bank for the time being to any other dues of the Borrower to the Bank. The borrower/s agree/s that if any moneys under any such insurance are received by the borrower/s, he/they will pay the same forthwith to the bank.

Margin: The borrower/s undertake/s and agree/s to bring a margin contribution of _____ % of the total cost of travel from his/her own sources. The borrower agrees that the Bank may disburse the loan proceeds partly or entirely by way of payment

directly to a Travel Agent/Tour operator/other agencies, etc., including the stipulated margin amount, after collecting the margin from the borrower.

Events of default: Notwithstanding anything contained hereinbefore regarding repayment of dues, by instalments, the entire amount of the loan with interest and charges or the balance outstanding in the account shall at the option of the Bank become due and payable by the borrower to the Bank and the Bank will be entitled to realize the same and enforce the hypothecated/pledged/mortgaged securities or securities otherwise charged to the Bank, at the cost of the borrower upon the happening of any of the following events and after demand in writing namely:

- a) Any instalment of principal or interest or any part thereof in respect of the said loan being unpaid for a period of 30 days after the respective due date of repayment.
- b) Any representation or statement in the borrower's loan application being found to be materially false or incorrect.
- c) The borrower committing any breach or default in performance or observance of any term or condition contained in this agreement or in the loan application/attachment or distraint of other process being enforced or levied upon the whole or any part of the borrower's property whether secured to the Bank or not.
- d) The borrower being declared insolvent or committing an act of insolvency.
- e) If the borrower/mortgagor, without the consent in writing of the Bank, creates or attempt to create any further charge or mortgage or any encumbrance on the securities and immovable properties charged /mortgaged to the Bank.
- f) If any event or circumstance shall occur which shall in the opinion of the Bank is prejudicial to or may endanger Bank's security.
- g) Fail/s to carry out and perform any of his obligations under these presents

Consequences of Default: On the occurrence of any of the events of default, it shall be lawful for the Bank, to recall the loan and demand the borrower to repay the entire outstanding dues at once, notwithstanding the time period allowed for repayment in instalments.

Right to recall: On the occurrence of any of the events of default, it shall be lawful for the Bank, to recall the loan and demand the borrower to repay the entire outstanding dues at once.

Right to enforce security: The Bank shall be at liberty to enforce any security that might have been given by the Borrower and recover its dues. If the net sum realized by such enforcement of securities be insufficient to cover the balance due to the bank, the borrower/s shall be liable forthwith on production to the borrower/s of an account to be prepared and signed (which shall be conclusive) to pay the balance appearing due to the bank.

It is specifically agreed that the Bank will be at liberty to engage/employ recovery/seizure agents to seize the hypothecated vehicles in the event of default by the Borrower.

Without prejudice to such obligation of the borrower/s, the bank shall be entitled (but shall not be bound) to apply any other money or monies in the hands of the bank standing to the credit of or belonging to the borrower/s or any money which the borrower/s may then or at any time thereafter be entitled to draw from the bank under any loan, cash credit, overdraft or any other arrangement or the properties of the borrower/s stored in the bank's premises or godown in or towards payment of the balance for the time being due to the bank, and in the event of such money or monies being insufficient for the discharge in full of such balance, the borrower/s shall be liable to pay the balance appearing due to the bank thereon, provided always that nothing herein contained shall be deemed to negate or otherwise prejudicially affect the right of the bank which it is hereby expressly agreed that the bank shall have to recover from the borrower/s the balance remaining due from the borrower/s to the bank upon the said loan/credit facilities notwithstanding that all or any hypothecated properties/securities may not have been realized.

That if after the settlement of all claims of the bank against the borrower/s, any surplus shall remain the bank shall pay such surplus to the borrower/s.

Notice: That, any notice in writing required to be served on the borrower/s shall be deemed to be sufficiently served if addressed to the borrower/s at the address given and left at such address or forwarded by post. A notice sent by post shall be deemed to be given at the time when in the course of post it will be delivered at the address to which it is sent. If for any reason the borrower/s cannot be given any such notice the same may be inserted once in an advertisement in one of the local dailies shall be deemed to be sufficient notice.

Right of set-off: That, the borrower/s further agree/s that in addition to any general lien or similar right to which Bank may be entitled by law, the bank may at any time and without notice to the borrowers combine or consolidate all or any of the borrower/s account and set off or transfer any sum or sums standing to the credit of any one or more of such accounts in or towards satisfaction of any of borrower's liabilities to the bank on any other account or any other respect, whether such liabilities be actual or contingent primary or collateral and several or joint. The borrower hereby unconditionally and irrevocably authorizes the Bank to pre-close and adjust from and out of any type of deposit/s the borrower holds or to be held with the Bank. The borrower hereby declare and confirm that the Bank shall always have its lien over the Jewels/goods pledged by him/them with a further authority that the Bank at its discretion can sell the Jewels/goods pledged and after appropriating the sale proceeds towards the Jewel Loan/Pledged Account, the surplus can be credited to the loan account of borrower. The above right of the bank can be exercised at any time during the pendency of the loan and notice in this regard is dispensed with.

Processing charges: Simultaneously with the execution of this agreement, the Borrower shall pay to the Bank the sum specified in the sanction letter as non-refundable processing charges.

Right to assign: The Bank shall be entitled at its sole discretion to sell, assign, discount or transfer the Bank's right and obligations under this agreement to any person(s) / institution(s) of the Bank's choice in whole or in part and in such manner and on such terms as the Bank may decide. Any such sale assignment or transfer shall conclusively bind the Borrower. The Borrower shall not be entitled to directly or indirectly assign the benefit or obligation of this agreement. No prior notice of assignment need be given to the borrower.

The Borrower hereby agree as a pre-condition of the loan/advances given to me/us by the bank that in case they commit default in the repayment of the loan/advances or in the 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 my/our name or the name of our company/firm/unit and its directors/partners/ proprietors as defaulter in such manner and through such medium as the bank or Reserve Bank of India in their absolute discretion may think fit.

The Borrower understand that as a pre condition, relating to grant of loans/advances /other Non funded based credit facilities to the Borrower, the Bank requires their consent for the disclosure by the bank, the information and data relating to Borrower, obligation assumed/to be assumed by the Borrower in relation thereto and default, if any committed in discharge thereof.

Accordingly, the Borrower hereby agree and gives consent for 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;
- c) Default if any committed by the Borrower, in discharge of such obligation.

as the Bank may deem appropriate and necessary to disclose and furnish to credit information Bureau (India) Ltd., and to any other agency authorized in this behalf by RBI.

The Borrower declares that the information and data furnished by them to the bank are true and Correct.

The Borrower undertake that:

- a) the credit information Bureau (India) Ltd, and any other agency so authorized 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 and any other agency so authorized may furnish for consideration the processed information and data or products thereof prepared by them to banks/financial institutions and other credit grantors or registered users, as may be specified by the Reserve Bank of India in this behalf.

Jurisdiction: Any dispute or difference arising in respect of the loan shall be referred to the Courts at the place where the loan was disbursed.

SCHEDULE OF REPAYMENT
(Furnish the exact Schedule as per Sanction)

SCHEDULE OF SECURITIES

Signature of Borrower/s