

EDL.1 (To be stamped as an Agreement)

AGREEMENT FOR EDUCATIONAL LOAN

This agreement executed this day of 20
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 - 639 002 and a Branch
at..... (hereinafter called 'the bank' which expression shall include its
successors and assigns)

BY

Mr./Ms., (hereinafter referred to as "the
student") Son/Wife/Daughter of Shri. and Mr./Ms. S/W of
..... residing at
(hereinafter referred to as "The Guardian")
(together referred to as the 'Borrowers' which expression shall include his/her/their
heirs / executors/ administrators / successors);

Whereas the Student desires and intends to prosecute higher studies
at (hereinafter
referred to as "the institution") and for that purpose has sought/secured an
admission for the course of at the said institution and he/she
is in need of financial assistance from the Bank towards payment of tuition fees,
cost of books and living expenses during the period of the course and the
Student has applied to the Bank for educational loan. The Guardian has agreed to
be co-obligant for the said loan along with the student.

And whereas the Bank has agreed to grant an Educational loan upto a maximum
amount of Rs..... and the Borrower has agreed to avail the loan subject to
the terms and conditions hereinafter expressed and contained:

LOAN: Educational Loan of Rs. (Rupees
..... Only). The loan would be disbursed in
various stage to suit the Borrower's 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: To meet the expenses of pursuing higher studies.

REPAYMENT: The Term Loan, along with interest, is repayable by 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 Bank shall have a right to demand payment of the entire balance then outstanding with interests, costs, commissions and charges, at once.

There will be an initial repayment holiday period of ... months from the date of disbursement of the 1st instalment of loan amount. The repayment shall commence six months after the date of completion of the academic course OR commence from the date the student starts earning after completion of the course, either by way of salary, stipend, fees, commission or other compensation, whichever is earlier.

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.

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.

REVISED REPAYMENT SCHEDULE:

- (i) That the Bank shall be entitled to re-compute the EMIs if the Bank varies the interest rate and the Borrower agrees to pay the increased amount of loan on account of any upward change in rate of interest.
- (ii) 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.
- (iii) 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.
- (iv) 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.

COMMITMENT CHARGE: The borrower shall pay to the Bank a commitment charge as may be fixed by the bank from time to time, on the un-drawn amount of the loan that is not utilized by the borrower within the time limit stipulated by the bank. Such commitment charge shall accrue from the date set for draw down of each tranche of the loan or if no such date has been set, from the date of execution of this agreement and shall be payable along with monthly interest on the date mentioned above.

SECURITY: In consideration of the Bank having granted/agreed to grant the loans/credit facilities, the borrower has agreed/undertaken and declare that the Assets as mentioned in the Schedule hereunder, will be and stand mortgaged/charged to the Bank by way of first charge as security for the loans and also for all indebtedness or liabilities of the borrower/s to the Bank together with all interests, commissions, costs, charges and expenses payable to or incurred by the Bank including those for the enforcement of any of the security.

That the borrower/s agree/s that the securities held under the loans as aforesaid shall also be held as security for any other loans or liability of the borrower/s to the bank.

OTHER AGREED TERMS & CONDITIONS:

1. It is agreed that the course for which financial assistance is sought for should be covered under the scheme and conducted by colleges/universities approved/recognized by Government, UGC, University, AICTE or such other authority and the course should be one with good employment prospects. In case approval/recognition is withdrawn at any time, the Bank may stop further

disbursement of the loan at any stage and the Student will not be eligible to avail the un-drawn amount of the loan if any.

2. The disbursement of the loan/overdraft will be made as follows:
 - i) An amount equivalent to tuition fees will be paid in whole or in instalments directly to the institution where the student proposes to undergo or is undergoing his study, as and when it falls due for payment;
 - ii) Such part of the loan as is required towards purchase of books, computers and other courseware necessary for the prosecution of studies of the course undertaken will be paid to the Student from time to time on condition that he produces the relative receipts evidencing purchase of the books to the bank within a reasonable time from the receipt of the relative portion of the loan; and
 - iii) Any amount towards any other expenses, including living expenses agreed to be financed by the bank, will be paid at such time and periodicity as may be mutually agreed between the student and the bank.
3. The student/guardian further agrees that the year-wise ceiling on disbursement will be restricted to the proportionate loan limit sanctioned.
4. The student/guardian hereby undertakes to remit the Scholarship/Stipend/Loan Scholarship and any other monetary assistance received by him/her to the subject loan account from time to time, for reduction of the liability even though the loan amount has not become payable at the time of receiving such assistance.
5. The student shall also obtain a life insurance policy with an insurer approved by IRDA for a sum assured which is equivalent or more than the amount of the loan and assign it to the bank. The student/guardian further agrees that the bank is at liberty, though not obliged to do so, to take out Life Insurance Policy in the name of the student for the sum assured equal to the loan amount, either singly or by way of group insurance, with any of the insurance companies as decided by the bank. The premium so payable may be included in the loan amount and the same shall be repaid along with principal repayment.
6. In case the student has to leave the course for any reason attributable to his default, negligence, misbehaviour, then, further disbursement of the loan will not be made by the bank and the entire outstanding of the loan together with interest and other costs shall become payable immediately. The bank at its discretion may withhold or discontinue the loan after sanction/part disbursal thereof for any reason, which it considers just and sufficient and the bank shall be the sole and final judge of such justness and sufficiency.

7. Notwithstanding anything contained herein the student/guardian agrees that the whole advance shall become forthwith due and payable by the student/guardian to the bank if any installment remains unpaid on the due date for the payment thereof.
8. The borrower/guardian hereby unconditionally and irrevocably authorizes the Bank to pre-close and adjust from and out of any type of deposit/s the borrower/guardian 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 educational loan account . 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.
9. 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.
10. The student/guardian shall not without the prior permission of the bank obtain any loan or other such financial accommodation as would involve repayment thereof and in case where such loan or other financial accommodation has been availed of by the student/ guardian after the availment of the loan hereunder, with the permission of the bank, the student /guardian shall immediately notify to the bank about the same. Upon receipt of such notification, the bank may at the time of granting such permission decide whether to continue the loan arrangement and, if so, to such extent thereof.

EMPLOYMENT DURING THE COURSE OF STUDIES:

11. The student is ordinarily not expected to take up employment during the course of his studies without the prior permission of the Bank. Where, however, he/she wishes to take up a job during the course of the studies, he/she should inform the bank about the same and should produce a certificate from the institution that such employment will not interfere with his studies. Full particulars about the nature of the employment, the working hours, salary and other relevant matters should be advised to the bank immediately. Upon receiving such intimation the bank may consider whether to continue the loan arrangement and, if so, to such extent thereof.
12. Should there be any change in the student's financial condition from what was stated in his application to the bank for financial assistance, which is likely to affect the bank's decision to continue the finance, the same shall

be notified to the bank and thereupon the bank may decide whether to continue the loan arrangement and, if so, to what extent thereof.

13. The student shall not enter into any pecuniary obligation or financial liability during the currency of the loan without the prior permission of the bank.
14. The student shall submit fee receipt for every subsequent stage-wise disbursement.
15. The student is expected to take up the studies seriously and shall work hard and try his best to maintain a good academic record and shall intimate to the bank the results of periodical tests/examinations conducted by the institution. The student shall not participate in any unlawful activity which will debar him from prosecuting his studies and shall follow all the rules and regulations for the time in force and maintain such dignity and decorum as is expected of the student by the institution. If the performance of the student is not satisfactory or if he fails in any one of the examinations conducted by the institution or if any adverse report in respect of the progress/conduct of the student comes to bank's knowledge, the bank will be at liberty to recall the loan amount and the student and/or the guardian shall be liable to repay immediately the outstanding due together with interest and other costs.
16. The student shall not without the prior consent of the bank change the course of his studies, place of study or the institution as stated in his application.
17. After completion of the course of his studies, it will be the responsibility of the student to secure a gainful employment and immediately upon securing such employment inform the bank giving full particulars of such employment and the income there from.
18. INTENTION TO GO ABROAD: In case the student has undertaken the higher studies in India and intends to go abroad for further studies or for taking up a job he shall intimate to the bank immediately and thereupon the bank may decide whether the loan has to be repaid in full before the student leaves the country or whether to allow the loan to be continued on revised terms and conditions.
19. INSURANCE: The student /borrower undertakes to keep the secured assets (owned by him or her and/or the guarantor/mortgagor) fully insured with necessary bank's clause. In case of default in doing so or renewing the insurance policy as and when they fall due, the bank is at liberty to get insurance cover for the secured assets, though not under an obligation to do so, or renew the insurance policy from time to time till the assets are secured to the bank or till such time the loan dues are repaid in full. It is specifically agreed that the 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 securities are sufficiently insured at all times. The premium payable to the insurance company concerned shall

be debited to the borrower's account maintained with the bank. The borrower shall always maintain sufficient balance at credit in the said account to enable the bank to debit the borrower's account or in default thereof the bank is at liberty to create an overdraft to meet the said premium, which will be repaid by the borrower along with applicable rate of interest for such overdraft debited to such account from time to time.

In the event of any loss or damage caused to the secured asset, the borrower hereby authorizes the bank to receive the entire amount of claim settled by the insurance company and the same shall be first appropriated to the loan dues and the surplus if any shall be handed over to the insured.

20. In consideration of the sanction of Educational Loan by the Bank, the 'Student' hereby has transferred and assigned absolutely and forever in favour of the Bank, the right to recover the monthly instalment amount directly from his/her prospective EMPLOYER until the dues outstanding in the Term Loan are repaid fully and a certificate of discharge of the said Educational Loan availed by the 'Student' is issued by the bank.

The 'Student' undertakes to authorize his/her future EMPLOYER to pay monthly income out of the Salary payable, so much of the amount that is required to satisfy the loan dues, directly to Karur Vysya Bank Ltd to the credit of the Educational Loan.

The 'Student' hereby authorizes the BANK to request his/her future EMPLOYER to pay so much of the amount that is required to satisfy the loan dues, from the Salary, directly to Karur Vysya Bank Ltd to the credit of the Educational Loan.

In case, the 'Student' fails to give such authorization letter to the prospective EMPLOYER as stated above OR if the prospective EMPLOYER fails to deduct and remit directly to the Bank the amount so required, the Bank will have the right to take all legal and other steps to prosecute and recover the dues from the 'Student' or by attaching the salary income, for the benefit of crediting to the Loan Account of the 'Student'.

Notwithstanding anything contained hereinabove, the 'Student' will continue to be indebted to the bank for the repayment of the entire Educational Term Loan availed from the bank along with interests, costs, charges, etc. as per the terms and conditions of the Agreement executed by the 'Student' in the event of failure of the Employer to pay the monthly instalment to the bank out of the salary.

21.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.

22.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) If the borrower fail/s to carry out and perform any of his obligations under these presents.

23.Consequences of Default: 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, not withstanding the time period allowed for repayment in instalments.

24.Right to enforce security: In the event of failure to repay, the Bank will be at liberty to take such lawful recovery steps to enforce the security and realize its dues.

25.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.

26.Appropriation of sale proceeds: That, the Bank shall apply the net proceeds of sale of the security properties in satisfaction so far as the same shall extend to the balance due to the Bank on the said loan/credit facilities of the borrower/s or so much thereof as shall remain unpaid including interest at the rates aforesaid until payment and including all costs as between attorney and client, charges and

expenses actually incurred by the bank on any account whatsoever including sales tax.

If the net sum realized by such sale 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.

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

27. 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.

28. 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.

29. 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.

30. Jurisdiction: The Courts at the place where the loan was disbursed alone will have the jurisdiction to try any dispute or difference arising between the parties.

31. Disclosure: The Borrower hereby agree as a pre-condition of the loan/advances given to him/them by the bank that in case he/she 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 his/her name 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 give 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.

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

SCHEDULE OF SECURITIES

Executed on the date and place mentioned in the first page.

Signature of the Borrower/s