

AGREEMENT FOR TERM LOAN FOR STUDY POWER

This Agreement executed at _____ on _____ between Mr./Ms. _____, son/wife/daughter of Mr. _____ residing at _____ (hereinafter referred to as "the Student" which expression shall include its successors and permitted assigns and all persons claiming/ deriving title there under) and Mr. _____ residing at _____ (hereinafter referred to as "the Guardian" which expression shall include its successors and permitted assigns and all persons claiming/ deriving title there under)

AND

AXIS Bank Ltd., a Bank incorporated under the Companies Act, 1956 and carrying on business under the licence issued by RBI in terms of the Banking Regulation Act, 1949 and having its registered office at "Trishul", Opposite Samartheshwar Temple, Law garden, Ellisbridge, Ahmedabad - 380006, Gujarat and one its branch at _____ (hereinafter referred to as "the Bank" which expression shall include its successors and assigns)

The Bank is having an educational scheme whereby the Bank finances students to acquire higher educational qualifications. Under the said scheme the Bank finances such eligible students to pay tuition fees, cost of books and other expenses incurred during the tenure of the course, which the students propose to study.

Whereas the Student has approached the Bank for granting a loan under Study Power Scheme because the Student desires and intends to carry on / continue the higher studies at _____ (hereinafter referred to as "the Institution") and for that purpose has secured admission.

The Student is in need of financial assistance to pay his tuition fees and other expenses, to meet the cost of study materials etc that he may have to incur for completion of his studies.

The Student jointly with the Guardian has made application under the Bank's Study Power Scheme seeking a loan of Rs. _____ to enable the Student to meet the said expenses.

The Bank after scrutiny of the application has found that the Student is prima facie eligible for consideration of granting the loan under the Study Power Scheme and the Bank has expressed its willingness to grant financial assistance by way of loan to the extent of Rs. _____ on the following terms and conditions set out herein. The Student and the Guardian have agreed to accept the terms and conditions so stipulated.

Whereas the Bank has desired that the said terms and conditions be entered into in the form of an Agreement.

NOW IT IS HEREBY AGREED AND DECLARED AS FOLLOWS:

1. The Bank agrees to grant jointly to the Student and the Guardian the loan to the extent of Rs. _____ on such terms and conditions stipulated by the Bank and the Student and the Guardian agrees to accept the said loan on such terms and conditions as stipulated by the Bank. The disbursement of such loan will be at the sole discretion of the Bank and the sanctioning of the loan does not confer any right on the part of the Student and the Guardian to demand any payment. The Bank reserves the right to withhold / cancel the entire loan or part of the loan so sanctioned or so disbursed without assigning any reason whatsoever. The decision of the Bank shall be final and will be binding on the Student and the Guardian.
2. The disbursement of the loan shall be as under:
 - (a) An amount equivalent to the entire tuition fees for the course will be paid either in whole or in installments. However, it is made clear that the said amount shall be paid directly to the institution where Student has secured admission and is undergoing his / her study.
 - (b) Any part of the loan set apart for the purchase of the books and study materials necessary for the Student to continue the studies so undertaken would be paid directly to the Student from time to time on the Student producing the relevant bills and receipts in original evidencing the purchase of the books within fifteen days from the disbursement of that part of the loan failing which further disbursements will not be made by the Bank.
 - (c) Any other amount towards any other expenses agreed to be financed by the Bank will be paid at such time/intervals as and when necessary or as may be decided by the Bank.
3. The loan amount would carry interest at the rate of _____ percent per annum/ or _____% above Base Rate i.e. presently at _____% p.a. and the loan would be repayable in equated monthly installments more particularly described in the Schedule annexed hereto. It is agreed by and between the Bank, the Student and the Guardian that the Bank reserves the right to vary the rate of interest to commensurate with the changes in the Bank's Base Rate or for any other reasons which it considers just and sufficient by the Bank. In such an event the Student and the Guardian shall be bound to repay the loan in accordance with the payment schedule as stated by the Bank. It is further agreed by and between the Student, the Guardian and the Bank that the Bank's intimation regarding the change in the rate of interest shall be final and binding on the Student and the Guardian.
4. The interest on the loan shall be computed and debited to the loan account on monthly/ half yearly / yearly basis and this interest will be calculated on the basis of actual number of days elapsed in a year of 365 days.
5. The Bank shall be entitled to debit all other amounts due and payable by the Student/Guardian under this Agreement (including but not limited to interest tax, fees, service tax, stamp duty, processing fee, login fees, costs, service/prepayment and other charges, including on account of execution and stamping of this Agreement and any other documentation or security creation pursuant to this Agreement, claims and expenses including expenses which may be incurred by the Bank in the enforcement or attempted enforcement of security created in favour of the Bank) to the Student/Guardian's Loan account, unless separately reimbursed to the Bank by the Student/Guardian.

6. It is agreed that the Bank reserves the right to increase the quantum of monthly installments upon any increase in the rate of interest upon changes of the Bank's Base Rate or for that matter any other reason.
7. The Student and the Guardian undertakes to the Bank that the Student and the Guardian shall pay the accrued interest on the outstanding amount of the loan on demand.
8. The Bank reserves the right to alter the number of installments and the quantum thereof or allow the repayment to be made in any other manner as may be deemed fit by the Bank. However, under no circumstances, the period of loan would extend more than 12 years unless otherwise decided by the Bank at its sole discretion.
9. The Student and the Guardian jointly undertakes and covenants to the Bank as under:
In consideration of the Bank granting the loan at the request of the Student and the Guardian undertake to abide as under:
 - (a) The Student and the Guardian shall not, without the prior permission of the Bank in writing, obtain any other loan or financial assistance for the Student to undertake and study the course for which the Bank has financed.
 - (b) The Student and the Guardian shall not without the prior permission of the Bank obtain any other financial accommodation which would involve the repayment by the Student from his salary so as to hinder the payment to the financial assistance availed from the Bank. The Student and the Guardian agrees that if any such loan or financial assistance has already been availed by the Student either prior to the sanction of the Study Power Loans or subsequently, the Student or Guardian shall immediately notify the Bank about the same. The Bank in such an event reserves the right to review its decision to grant the loan or not. If the loan has already been sanctioned, the Bank reserves the right to suspend or cancel and or recall the said loan.
 - (c) The Student and the Guardian agrees that in case if the Student has to leave the course for any reason attributable to his default, negligence, misbehavior or otherwise or by an act of God or due to unforeseen circumstances or and becomes incapacitated to continue the studies, the entire outstanding of the loan together with the interest and other monies due shall be repaid by the Guardian and the Student as the case may be immediately, upon demand by the Bank.
 - (d) The Student should inform the Bank if he/she wishes to take up a job during the course of his/her studies and produce a certificate from the Institution that such employment would not interfere with his/her 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 what extent thereof.
 - (e) Should there be any change in the Guardian's/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 consider whether to continue the loan arrangement and, if so, to what extent thereof. For this purpose, the Guardian agrees to furnish the copy of the income-tax returns filed every year to the Bank and or such other documents as may be insisted by the Bank.

- (f) 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. The Bank reserves the right to directly interact with the Institution and obtain details about the progress of the Student in his studies including his character and behavior.
- (g) The Student shall not, without the prior consent of the Bank, change the course of his/her studies, place of study or the Institution as stated in his/her application. In such an event the Bank reserves the right to withdraw the sanction and demand the payment.
- (h) The Student shall, during the currency of the loan, keep the Bank informed from time to time, of any change of address on account of his/her being on vacation, study leave, study tour or his/her being required to stay away from the station.
- (i) After completion of the course of his/her studies, it will be the responsibility of the Student to secure gainful employment and immediately upon securing such employment inform the Bank giving full particulars of such employment and the income there from.
- (j) The Student undertakes to transfer and assign fully and absolutely the future salary to the extent of the dues to the Bank from the future employer, The Bank retains the right to demand from the Student to make good for the balance amount due to the Bank under the loan availed under the Study Power Scheme of the Bank.
- (k) The Student shall inform the said employer that the Student has fully and absolutely transferred and assigned the said salary in favour of the Bank, towards repayment of the loan availed by the Student. In the event of any future salary being paid directly to the Student, the Student shall hold the same in trust for the Bank. The Bank reserves the right to directly interact with the said employer and demand the payment.
- (l) In case the Student has undertaken higher studies in India and intends to go abroad for further studies or for taking up a job, he/she 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.
- (m) In the normal course the Student is not expected to prepay the loan. However, if the Student or the Guardian intends to prepay the loan, the Bank reserves its right to levy such charges by way of prepayment premium as may be needed for accepting the prepayment.
- (n) The Student and the Guardian are jointly and severally liable for the repayment of the loan and in the event of the failure of the Student and the Guardian to repay the loan then the Bank shall exercise all its rights for recovering its dues in the matter.
- (o) In the event the Student is a minor at the time of execution of this Agreement, the Student agrees that upon attainment of the age of majority shall ratify all the terms and conditions contained in this agreement.

10. (A) **Events of default.**

- (a) The Bank may by a written notice to the Student and the Guardian, declare all sums outstanding under the Loan (including the principal, interest, charges, expenses) to become due and payable forthwith irrespective of any agreed maturity and enforce the security created in favour of the Bank for the Loan

upon the occurrence (in the sole decision of the Bank) of any one or more of the following:

- (b) The Student and the Guardian commits any default in the payment of EMIs and in the payment of any other amounts to the Bank when due and payable;
- (c) The Student and the Guardian defaults in performing any of his obligations under this Agreement or breaches any of the terms or conditions of this Agreement or any other security documents, undertakings etc. executed in favour of the Bank;
- (d) The death, failure in business of the Student and/or the Guardian;
- (e) Any of the information provided by the Student and the Guardian to avail the Loan or any of his Representations, Warranties herein being found to be or becoming incorrect or untrue;
- (f) Any person other than the Bank commencing proceedings to declare the Student and the Guardian insolvent or if the Student and the Guardian shall become bankrupt or insolvent or commit act of insolvency;
- (g) The Student and the Guardian fails to create the security as provided in the sanction or comply with the sanction terms;
- (h) The Bank, for any regulatory or other reasons, is unable or unwilling to continue the Loan;
- (i) If any circumstance or event occurs which would or is likely to prejudicially or adversely affect in any manner the capacity of the Student and the Guardian to repay the Loan or any part thereof.

If any event of default or any event which, after the notice or lapse of time or both, would constitute an event of default, shall have happened, the Student and the Guardian shall forthwith inform / convey to the Bank thereof in writing specifying such event of default, or such event.

(B) Consequences of default:

In the event of any default as stated above the Bank shall have the right:-

- (a) To recover the entire dues of the Loan,
- (b) To suspend any withdrawal to be effected in the Loan account,
- (c) Take possession of the Security, if any whether by itself or through any of the Recovery Agents or Attorneys as may be appointed by the Bank.
- (d) Take any other action as it may deem fit for recovery of its dues and enforcement of the securities.

11. Assignment and Transfer

- (a) The Bank shall have a right to sell or transfer (by way of assignment, securitisation or otherwise) whole or part of the Loan and outstanding amounts under the Loan or any other rights and obligations of the Bank under this Agreement or any other document pursuant hereto to any person/ entity in a manner or under such terms and conditions as the Bank may decide in its sole discretion without reference to or intimation to the Student/Guardian.
- (b) The Student/Guardian expressly agrees, in the event of sale or transfer as aforesaid, to accept such person to whom the Loan is sold or transferred as his lender and make the repayment of the Loan to such person as may be directed by the Bank.
- (c) The Student/Guardian shall not be entitled to directly or indirectly assign his rights or obligations under this Agreement in part or in whole to any person.

12. The parties agree that any delay or omission by the Bank in exercising any of its rights, powers or remedies as the lender of the loan under this Agreement and other documents pursuant hereto shall not impair the right, power or remedy or be construed as its waiver or acquiesce by the Bank.
13. The Student/Guardian agrees to accept the statement of account sent by the Bank or by any other authorized representative of the Bank as conclusive proof of the correctness of any sum claimed to be due from him.

14. CIBIL Disclosure Clause

The Student/Guardian also agrees, undertakes and confirms as under:

The Student/Guardian understands that as a precondition relating to the grant of and/or continuing the grant of Credit Facility to the Student/Guardian, the Bank requires the Student/Guardian's consent for the disclosure by the Bank of, information and data relating to the Student/Guardian, of the Credit Facility availed of / to be availed by the Student/Guardian, in discharge thereof.

Accordingly, the Student/Guardian hereby agrees and gives consent for the disclosure by Bank of all or any such:

- (a) information and data relating to the Student/Guardian;
- (b) the information of data relating to its Credit Facility availed of / to be availed by the Student/Guardian and
- (c) default, if any, committed by the Student/Guardian, in discharge of the Student/Guardian's such obligation;

as the Bank may deem appropriate and necessary, to disclose and furnish to Credit Information Bureau (India) Limited ["CIBIL"] and any other agency authorised in this behalf by Reserve Bank of India ["RBI"].

The Student/Guardian declares that the information and data furnished by the Student/Guardian to the Bank are true and correct.

The Student/Guardian also undertakes that:

- (a) CIBIL and 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
- (b) CIBIL and any other agency so authorised may furnish for consideration, the processed information and data disclosed or products thereof prepared by them, to Bank(s)/ Financial Institution(s) and other Credit Grantors or Registered Users, as may be specified by the RBI in this behalf.

15. Disclosure of Relationships

The Student/Guardian declares, assures and states that, except as mentioned hereunder the Student/Guardian is not a relative of a director and/ or Senior Officer of the Bank;

The term "Senior Officer" means an officer of the Bank who is in equivalent scale as an officer in senior management level in Grade IV and above in a nationalized bank.

The term "relative" shall mean and include any or all of the following persons: (a) Spouse (b) Father (c) Mother (including step-mother) (d) Son (including step-son) (e)

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Son's wife (f) Daughter (including step-daughter) (g) Daughter's husband (h) Brother (including step-brother) (i) Brother's wife (j) Sister (including step-sister) (k) Sister's husband (l) Brother (including step-brother) of the Spouse (m) Sister (including step-sister) of the Spouse.

The Student/Guardian makes the above declaration solemnly and sincerely believing then same to be true and knowing fully well that on the faith and strength the correctness thereof the Bank has agreed to grant the Facility. The Student/Guardian also agrees that it is a condition of the grant of the Facilities that if any statement made with reference to the above is found to be false at any time the Bank shall be at liberty and entitled to revoke the Facilities.

The Student/Guardian declares that the Student/Guardian is related to the director(s) and/ or Senior Officer(s) of the Bank as specified in Schedule I hereto.

16. It is agreed by the Student and the Guardian that they have read and understood the entire terms and conditions as stipulated therein and they are affixing their respective signatures in this Agreement voluntarily and after understanding the implications thereon.

SAMPLE

Schedule

Repayment Schedule for the Loan

Installment Due date	Amount due

IN WITNESS WHEREOF the parties hereto mentioned have affixed their hand and seal on the day and date mentioned hereinabove.

Signature of the Guardian

Signature of the Student

(Incase the Student is minor, the Agreement is to be signed by the Guardian on his own behalf and also on behalf of the Student)

Signed, sealed and delivered by

Authorized Signatory of
AXIS Bank Ltd.

Schedule 1

S.No	Name of Director(s) / Senior Officer(s)	Designation	Relationship
1			
2			
3			
4			
5			
6			

DEED OF RATIFICATION

This Deed of Ratification is made at _____ on _____, by

Mr./Ms. _____, son/wife/daughter of Mr. _____ residing at _____ (hereinafter referred to as "the Student" which expression shall include its successors and permitted assigns and all persons claiming/ deriving title there under) and Mr./Ms. _____ residing at _____ (hereinafter referred to as "the Guardian" which expression shall include its successors and permitted assigns and all persons claiming/ deriving title there under)

IN FAVOUR OF

AXIS Bank Limited, a Company incorporated under the provisions of the Companies Act, 1956 and carrying on the banking business under the licence issued by Reserve Bank of India in terms of the Banking Regulation Act, 1949, and having its registered office at Ahmedabad and one of the branches at _____ ("the Bank" which expression shall unless excluded by or repugnant to the context be deemed to include its successors and assigns) -

WHEREAS -

The Student, prima facie eligible, jointly with the Guardian has requested to grant a loan and made an application to the Bank and entered into an Agreement for Term Loan for Study Power executed on _____ day of _____, 20 __, seeking a loan of Rs. _____ under the Study Power Scheme (hereinafter, for the sake of brevity, referred to as "the Principal Agreement"), to acquire higher educational qualifications, and to enable such eligible students to pay the tuition fees, hostel charges (if any), cost of books and said charges during the tenure of the course, which the Student proposes to study and also desires and intends to carry on/continue the higher studies at _____ (hereinafter, for the sake of brevity, referred to as "the Institution").

A true copy of the said Principal Agreement for Study Power and of the Guarantee Agreement is hereto annexed and marked by letter 'A'.

The Student has now attained the age of majority and has come forward on his own to execute this Deed of Ratification, with an intention to ratify the contents of the said principal agreement.

NOW THIS DEED WITNESSETH that pursuant to the said principal agreement and in consideration of the Guarantee given to the Bank at the time of disbursement of the loan amount, the Student doth hereby ratify and confirm the terms and conditions contained in the said principal agreement for Term Loan for Study Power thereby made was at and it is further ratified and confirmed by the Student that all the covenants, terms and conditions including the covenant to repay in equated monthly instalments to the Bank contained therein shall be deemed to be the covenants, terms and conditions as between the Student as well as the Guardian on one hand and the Bank on the other hand.

IN WITNESS WHERE OF THE Student and the Guardian have put his hand the day and year first hereinabove written.

THE SCHEDULE ABOVE REFERRED TO: Letter 'A'

Signed and delivered by the within named)
Student Mr./Ms. _____)
In presence of _____)

Signed and delivered by the within named)
Guardian Mr./Ms. _____)
In presence of _____)

SAMPLE