

**LETTER OF UNDERTAKING**  
(CC/ODT/ODP/OD/Term Loans)

Place: \_\_\_\_\_

Date: \_\_\_\_\_

The Manager,

Capital Small Finance Bank Limited,  
\_\_\_\_\_ Branch

Dear Sir,

Reg : My/our Loan/Limit of Rs. \_\_\_\_\_ for the purpose of \_\_\_\_\_

In connection with the above I/We hereby undertake as under :

1. I/We shall deal exclusively with your bank and shall not deal with any other bank without your express permission.
2. I/We shall pay the interest as amended/changed by the bank from time to time.
3. I/We shall pay charges including processing charges, insurance charges, incidental charges, inspection charges, service charges, pre-closure charges & any other charges prescribed by the bank from time to time.
4. I/We shall pay the loan along with the interest by way of EMI of Rs. \_\_\_\_\_. The first installment will commence on \_\_\_\_\_.
5. I/We shall keep the vehicle/machinery/asset financed by the bank in good condition during the currency of the loan.
6. I/We shall submit the Bill/receipt (with hypothecation clause) of the asset financed by the bank and/or of the vehicles, RC, Insurance & route permit for the Bank's record.
7. The vehicle shall be driven by the person holding a valid driving license.
8. I/We shall keep the machinery/asset/ vehicles/goods financed by the bank fully insured in the joint names with the agreed bank clause.
9. In case of default in repayment of installment as per repayment schedule. I/We shall be liable to pay interest @ \_\_\_\_\_ over and above the agreed / contracted rate of interest.
10. In case of default of three consecutive installments, the entire amount of loan shall become payable on demand and the bank shall be at liberty to initiate legal proceedings for recovery of bank's due.
11. Sales/Purchases shall be routed through the bank account.
12. I/We specifically undertake to pay pre-closure charges in case the account is taken over by some other bank or it is repaid/adjusted before the scheduled repayment period as per bank's rule.
13. I/We submit that we do not have any objection if our name is published in defaulter's list of Reserve Bank of India in the event of default on our part.
14. I/We confirm neither we have filed any legal suit against any party nor any suit/litigation is pending against us or any firm/company in which we are proprietor/partner or director.
15. No change in constitution of the firm shall be effected without specific permission of bank and that any change in the holding pattern of the company shall be immediately intimated to the Bank.
16. I/We agree that drawing in the limit will not be allowed beyond the Drawing power/sanctioned limit.
17. I/We agree that cheque will not be honored other than the purpose specified/stipulated in the sanction.
18. I/We confirm the end use of the funds and undertake that the funds shall be utilized for the purpose for which these have been sanctioned and there will be no diversion/siphoning of funds lent by the Bank.
19. That I/We are not related to any director's/senior officers/promoters/major shareholders of the Bank and they are not interested in loan/limit proposal whatsoever and no other person is having any interest in the business in any manner.

20. I/We undertake that our name and/or name of our firm is not included in the RBI's list of defaulters.
21. That the Bank may extend credit facilities solely at its discretion and that drawings under the following circumstances will be solely at the discretion of the Bank :
  - \* Drawings beyond the drawing power/sanctioned limits.
  - \* Honouring of cheques issued for the purpose other than specially stipulated in the sanction.
  - \* Drawings in account once it is classified as NPA.
  - \* No drawings will be allowed in case of non compliance of the terms and conditions of the sanction by the borrower.
  - \* Meeting further requirement of borrowers on account of growth in business will be subject to proper review of the credit limits.
22. That I/We will submit stock statement/age wise list of debtors on monthly/bi monthly basis as the case may be on the prescribed proforma of the bank.
23. That I/We will submit QMS data (if applicable) on quarterly basis.
24. That I/We will allow the inspection of unit/asset financed by Bank and verification of the Bank accounts by the bank officials at regular intervals and we will meet the cost of such inspection.
25. That the bank may recall the advance/accelerate the payment/accelerate the performance under the loan agreement or seek additional securities upon serving of notices to borrowers in advance.
26. That the bank shall release all securities on receiving payment of loan and Bank may decide to exercise the right to set off any legitimate right or lien for any other claim against us. However the Bank will notify the borrower about the remaining claims and the documents under which the Bank is entitled to retain the security till the relevant claim is paid/settled.
27. That the Bank will have right to elicit the necessary information from the borrower and initiate action to protect its interest in case any information is not disclosed earlier by us and has come to the notice of the Bank later.
28. That the property will not be rented out/leased out/sold out, without the consent of bank during the currency of loan/limit.
29. I/We made here the standing instruction to the bank that the due instalment/interest/ charges may be deducted or transferred from my/our SB/CC/ODT/ODP/CA No. \_\_\_\_\_ for repayment of loan account No. \_\_\_\_\_. This authority is irrevocable till the said loan account is adjusted in full and final.
30. That the minimum average availment of the limit shall be 65% or as per the sanction. In the event of less availment commitment charges @ 2% or as prescribed in the sanction shall be charged on the gap in desired level.
31. That net worth of the firm will not be allowed to decline from the present level or the level desired for the availment of existing limit and in case of any shortfall, the net worth level will be maintained either by raising additional unsecured loans or by inducting fresh capital in the business.
32. That I/We have not mortgaged the property (offered as security) to any financial/non-financial institution and neither shall do so till the liquidation of the loan/limit nor I/We have executed any power of attorney to sell in favour of third party and I/We am/are absolute owner(s) in possession of the property.
33. I/We have been made to understand that the EMI paid by me/us shall be appropriated in the account in the order of (1) Charges, (2) Interest and (3) Principal.
34. I/We have gone through the sanction letter dated ..... & accept the terms & conditions embodied in the letter and a copy of the agreement has also been delivered to me by the Bank.

Yours faithfully

Borrower(s)

Guarantor(s)