

## LETTER OF UNDERTAKING KCC & Agricultural Loans

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

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

The Manager,  
Capital Small Finance Bank Limited,

\_\_\_\_\_

Dear Sir,

**Sub: My / our Loan/Limit of ` \_\_\_\_\_ for purpose of \_\_\_\_\_**

In connection with the above, I/we undertake as under:-

1. I/we shall deal exclusively with your bank and shall not maintain / continue any account with any other bank without your specific permission.
2. I/we shall pay the interest as amended/changed by the bank from time to time.
3. I/we shall pay other charges including incidental charges, inspection charges, service charges, pre-closure charges and any other charges prescribed by the bank from time to time.
4. I/we shall pay the loan along with the agreed interest by way of EMI of Rs. \_\_\_\_\_ on its due dates. The first installment will commence on \_\_\_\_\_.
5. I/we shall keep the tractor / machinery / harvester combine / tools etc. in good running condition during the currency of the loan.
6. I/we shall submit the Bills/receipts (with hypothecation clause) of the assets financed by the bank and/or of the vehicle (Tractor/combine etc.) RC and insurance for the Bank's record.
7. I/we shall keep the machinery/tractor/combine/other assets financed by the bank fully insured in the joint names with the agreed bank clause.
8. In case of default in repayment of limit/loan installment as per the repayment schedule, I/we shall be liable to pay interest @ \_\_\_\_\_ over and above the agreed/contracted rate of interest.
9. 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 dues.
10. The crop proceeds shall be routed through the KCC account invariably on regular basis.
11. I/we shall submit the required data every year for review of KCC limit and after every 5 years as prescribed by the bank from time to time for renewal of KCC limit.
12. I/we shall confirm neither we have filed any legal suit against any party nor any suit is pending against us.

13. The bank officials are allowed to visit our fields / farms for the purpose of inspection of crops sown in the fields and/or for inspection of other assets financed by the Bank.
14. The Balance outstanding in the account shall not be allowed to remain unpaid for two crop seasons (in short terms crops) and one crop season (in long term crops) under any circumstances.
15. Every withdrawal in KCC limit shall be liquidated within a period of 12 months.
16. The loan/limit shall only be used for the purpose for which it has been sanctioned by the bank and there will be no diversion of funds.
17. I/We have gone through the sanction letter dated \_\_\_\_\_ and accept the terms & conditions embodied in the letter.
18. I/We shall intimate the bank regarding the change of leased land if any and change in the cropping pattern from time to time.
19. I/we made here the standing instructions to the Bank that the due installment / interest / charges may be debited or transferred from my/our SB/CA No. \_\_\_\_\_ for the repayment of the loan account No. \_\_\_\_\_. This authority is irrevocable till the said loan account is adjusted in full and final.
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 installment / 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 has 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 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.
34. I/We further declare & affirm that I/We are not related to any director / senior officers / promoters / major shareholders of the bank and they are not interested in loan / limit proposal whatsoever and no other person is having interest in the above business in any manner.
35. I/We have been made to understand that the EMI paid by me/us shall be apportioned in the account in order of (1) Charges, (2) Interest and (3) Principle.

Yours faithfully

Borrower(s)

Guarantor(s)