

## UNDERTAKING-CUM-DECLARATION/134/136/136A

**IN CONSIDERATION** of **BANK OF BARODA**, extending /having extended credit facilities by way of Loan/Cash Credit/Guarantee/L/C facilities/Temporary Overdraft/ Bills Purchase/Discounted [Inland/Foreign] Facilities or any other financial accommodation to me/us, I/We

\_\_\_\_\_ [Borrower] and [1] \_\_\_\_\_  
 \_\_\_\_\_, [2] \_\_\_\_\_ [3] \_\_\_\_\_  
 \_\_\_\_\_ [4] \_\_\_\_\_ [5] \_\_\_\_\_  
 \_\_\_\_\_ [Guarantors] having my/our business place/registered office/residence at \_\_\_\_\_  
 respectively hereby agree, undertake, authorize assure and affirm as follows:

1. To deal exclusively with your Bank.
2. Not to incur capital expenditure for major expansion/diversification/modernization without Bank's prior written consent.
3. To appoint you as the Manager to the issue in case the Company enters the capital market for issue of shares/debentures/bonds.
4. To submit statements/quarterly statements within the stipulated time and in the prescribed manner and in case of delay or default in submission to pay penal rate of interest as per Reserve Bank of India/Bank's guidelines.
5. Not to allow promoters to disinvest/transfer their shareholdings without the prior written consent of the Bank..
6. To execute proper documents for each type of facility as detailed in the sanction and registration of charges with the Registrar of companies, wherever necessary, within the stipulated time, before disbursement/release of the sanctioned facilities.
7. To keep hypothecated security fully insured against fire and such other risks as may be required by the Bank and to submit the respective insurance policies to the Bank.
8. To allow Bank to carry out inspection of the hypothecated securities at periodical intervals and to bear the inspection charges and other incidental charges incurred by the Bank in connection therewith.
9. To allow Bank to charge penal interest @ 2% above the rate applicable to Cash Credit/PC/FBP/PCFC/FBD/ and other working capital facilities on the entire outstanding in Working Capital facilities under the following circumstances:-

- a) Default in repayment of loan instalments.
- b) Non/delayed submission of quarterly operative statement and/or half yearly fund flow statement.
- c) Non/Delayed submission of monthly stock/book debts statements and other financial data.
- d) Excess borrowing in the Cash Credit /PC/FBP or other working capital limits account.
- e) Default in borrowing covenants.

10. To obtain the Bank's prior written consent in respect of the following matters:-

- a) Entering into any borrowing arrangements with other banks, Financial Institutions and/or any other parties.
- b) Taking up a new project on large scale expansion.
- c) Making investment in or giving loans to subsidiaries, associate concerns, individuals or other parties.
- d) Effecting mergers and acquisitions.
- e) Giving guarantee on behalf of third parties.
- f) Paying dividend other than out of current year's earnings after making sure provisions.
- g) Premature repayment of loans and discharge of other liabilities.

Not to create without Bank's prior written consent, charges on all or any of the assets and/or properties of the firm/Company, other than the existing/proposed charges in favour of other Financial Institutions/Banks.

- 11. That all the monies advanced or to be advanced by the Bank under the facilities mentioned herein above shall be utilized exclusively for the purpose set forth in our proposal and for no other purpose and if the said loan /advances utilized or attempted to be utilized for any other purpose or if the Bank apprehends or has reasons to believe that the said loan/advance is being utilized for any other purpose, the Bank shall have the right to forthwith recall the entire or any part of the loan advance without assigning any reasons therefore.
- 12 That Notwithstanding anything to the contrary contained in any of the documents/agreements executed /to be executed by us as also in the Letter of Sanction by the Bank, the Bank shall be entitled to charge the contractual rate of interest at its own discretion without any intimation to us to bring it in conformity such as reintroduction of interest Tax, etc., from time to time and the same shall be binding on us as if such change were already incorporated in the documents executed by us.
- 13 That in the event of any irregularity, the Bank at its discretion shall be entitled to charge on the entire outstandings or any portion thereof interest at such enhanced rates as it may fix during the continuance of such irregularities.

14. I/We agree and undertake that for the credit facilities granted to me/us and/or availed by me/us, the Bank will be entitled/authorized/permitted to charge and or deduct/debit/recover from my/our Account/s such sum or sum of money as the Bank may stipulate, incur or bear by way of guarantee fees, refinance commission, document verification fees, or any other levy or charge payable by me/us to the Bank for availing finance and /or refinance under DICGC/ECGC/IDBI/SIDBI or other Body Corporate or otherwise, including for verification of security documents by the Bank's advocate's/officer/s and payable to the Bank for such purpose or by the Bank to such Refinancing/Guarantee Organization/s in respect of facilities extended to me/us.
15. I/We further agree, authorize, assure and confirm that in the event of any default committed by me/us in compliance of the terms and conditions or any of them stipulated by the Bank from time to time, the Bank shall be entitled, permitted and authorized to charge without any intimation to us additional or penal rate of interest or further interest at usual rate and in accordance with such Rules/Regulations of the Bank and/or such Rules or Regulations or stipulations/directives/guidelines of the Reserve Bank of India on the amount due and payable by me/us to the Bank in respect of the Credit facilities /financial accommodation extended to me/us by the Bank.
16. I/We further agree, authorize, assure and/or confirm that in the event of the Bank obtaining any insurance cover for financial risk from any Insurance company/ies or any other institution/firm/Body Corporate or other wise over the assets charged/hypothecated/pledged or mortgaged to the Bank or otherwise taken possession of by the Bank on account of or in consideration of the dues payable by me/us for facilities extended to me/us, the Bank will be entitled to recover the same and/ or charge the same to my/our Account/s without any further formalities and intimation by the Bank of having obtained such insurance or financial risk cover and such letter informing about the Bank having taken such insurance cover, etc. would be sufficient proof thereof enabling the Bank to recover and/or charge the same to my/our account/s.
17. I/We further agree, authorize, assure and confirm that the Bank shall be entitled to charge additional, penal or further interest at the rate as may be decided by the Bank for the ad-hoc facility/facilities agreed to be extended/may be extended by the Bank to me/us and such additional interest may be continued to be charged to me/us by the Bank as long as I/We avail such ad-hoc facility and /or earlier, as may be decided by the Bank from time to time.
18. I/We further agree, assure and undertake that in the event of Bank requiring any information for processing/review of my/our account including furnishing of statements of stocks/Book-debts statement/Balance Sheet (audited/or otherwise) CMA Data statement or other particulars may be required by the Bank within the stipulated period or at the time of processing/review of my/our account and if for any reason, whatsoever, I am/we are unable to furnish the same within

a week or such other reasonable time as the Bank may ,upon specific request by me/us ,agree to, in writing ,then the Bank shall be entitled to charge to my /our account and/or claim additional interest at the rate of 2% per annum notwithstanding technical review of my/our account as may be otherwise carried out by the Bank in absence of such information, submission as required by the Bank.

19. I/We further agree, declare, undertake, assure and confirm that the following is the exhaustive list of my/our legal heirs with his/her/their full address/es, and the said list is furnished to enable the Bank to take steps for recovery of its dues from any one/some/all of them in the event of my /our demise, or of any one or some or all of us during the currency /pendency of such credit facilities extended by the Bank to Mr/Ms/M/S. \_\_\_\_\_ (Borrower)

[illegible]

20. I/We further agree, and assure that I/We shall promptly inform you in writing of any change in the above particulars of my/our legal heirs that may be occasioned by birth, death, marriage, etc., and/or that may be caused by any amendment/change in my/our personal law/s and/ or on account of any amendment/change in the general statutes/laws of the country.

21.I/We also give hereunder particulars of immovable properties belonging to me/us, which have not been charged to the Bank as also not charged to any other Bank /Financial Institution/Creditors as security for financial assistance granted to me /us.

[illegible]

- 22.I/We also undertake, agree, assure and confirm that, I /We shall not transfer, dispose of, alienate, encumber, or deal with in any manner without prior permission in writing of the Bank, the assets, properties, tangible or intangible , movable or immovable, as are charged or mortgaged to the Bank gave in the usual course of my/our business or as provided for in documents executed in that behalf.
- 23.I/We hereby declare further that the particulars of legal heirs, assets ,etc., furnished by me /us as above are correct and complete,and that I am/we are fully aware that the Bank is/will be granting credit/other facilities to Mr/Ms/M/S.\_\_\_\_\_INTER ALIA on the faith of this undertaking-cum-Declaration.
- 24.I/We also agree, undertake and assure that charging or non-charging of additional /penal interest in terms of aforesaid shall not in any way be construed as waiver or satisfaction of any of the terms and conditions stipulated by the Bank for compliance in terms of this undertaking or otherwise howsoever.
- 25.That in the event of any irregularity the Bank at its discretion shall be entitled to charge on the entire outstanding or any portion thereof interest at such enhanced rate/s as it may fix during the continuance of such irregularities. I/We understand that it is on the faith of the aforesaid representations and express undertaking that the Bank has consented to entertain our proposal for the said facility.
- 26.That I/We have not paid any consideration to Guarantors for execution of Guarantee/s documents in favour of Bank/any financial institution.
- 27.I/We do hereby unconditionally and irrevocably agree as a condition of such loan/advances extended to me/us by the Bank that in case I/We commit default in the repayment of such loan/advances or in the repayment of interest thereon or any of the agreed instalment of the loan on due date/dates, the Bank and /or the Reserve Bank of India will have the name of our company/firm/unit and /or its Directors/Partners/Proprietors/Guarantors published as defaulter/s in such manner and through such medium as the Bank or Reserve Bank of India in their absolute discretion may think fit.
- 28.I/We also do hereby declare and confirm that we have not paid either directly or indirectly any consideration whether by way of commission, brokerage or fee or in any other form either directly or indirectly for our taking Guarantee.

We further undertake that no consideration in any form whatsoever will be paid by us for taking guarantees to the account during subsistence of the current facilities sanctioned by you to me/us.

29. We have been sanctioned various credit facilities pursuant to your sanction letter dated \_\_\_\_\_ and we have executed various security documents pursuant to the terms and conditions stipulated therein.

We now hereby agree and undertake to pay and/or deposit with you on demand any further/additional stamp duty and penalty required to be paid or which may be demanded pursuant to the provisions of Article 5(h) (A) (iv) of the Bombay Stamp Act, 1958 or otherwise, on the said documents executed by us and the Guarantors. We also agree and undertake to pay to you on demand the cost, charges and expenses paid/incurred or required to be paid /and incurred by you anyway concerning the execution of said documents.

We further agree that for such further/additional stamp duty, costs, charges, expenses etc. you can exercise right of lien/set off on our all moneys/ properties till such amounts of further/additional Stamp duty with penalty, costs, charges, expenses etc. are paid by us.

We also agree to indemnify you and keep you indemnified and saved, defended and harmless in respect of and against every payment, obligations/ and liability towards stamp duty on the above documents, the penalty imposed, costs, charges and expenses.

30. We understand that Bank has started charging of differential rate of interest on Rupee Export Credit (Pre and Post shipment) based on our Credit Rating. We also understand that the said differential rates of interest is however subject to following conditions.

- (a) There should be a minimum utilization of 50% of the sanctioned limits both funded and non funded limits.
- (b) Bank should at least earn non interest income of 0.25% p.a. from the account.

In default of compliance with above stipulation we understand that the concessions availed by us by virtue of the differential rates, will be recovered in full at the time of next review from our account.

31. We understand that as a pre-condition, relating to grant of the loans/advances/other non-fund based credit facilities to me/us, the Bank of Baroda, requires my/our consent for the disclosure by the bank of the information and data relating to me/us, of the credit facilities availed by me/us, obligations assumed/to be assumed by me/us in relation thereto and default if any committed by me/us, in discharge thereof, Accordingly I/We, hereby agree and give consent for disclosure by Bank of Baroda, of all or any such,

- a. information and data relating to me/us.
- b. Information and data relating to any credit facilities availed of/to be availed by me/us and
- c. Default if any committed by me/us, in discharge of my/our such obligation as the Bank of Baroda, may deem appropriate and necessary, to disclose, and furnish to Credit Information Bureau

(India) Ltd. and any other agency authorized in this behalf by Reserve Bank of India.

I/We further agree and confirm that I /We shall bear and pay interest at the rate of \_\_\_\_\_% over/below Benchmark Prime Lending Rate of the Bank with a minimum of \_\_\_\_\_% per annum with monthly/quarterly/half yearly/yearly rests or at such rate or rates as the Bank may specify to me/us in writing in accordance with the Bank's Prime Lending Rate and my/our credit rating with the Bank from time to time.

I/We declare that information and data furnished by me/us to Bank of Baroda are true and correct.

**I/We 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 RBI in this behalf.

**WE FURTHER STATE AS UNDER:**

We, M/S.\_\_\_\_\_, carrying on the business in the name of M/s\_\_\_\_\_having registered office at\_\_\_\_\_ hereby declare as under:

I/We ,proprietor/partner/s are not a director/s or specified near relation of a director in a banking company.

I/We proprietor/partner/s are specified near relation (state nature of relationship) of Mr.\_\_\_\_\_ who is Chairman & managing Director/Executive Director /Director of \_\_\_\_\_Bank.

None of the Directors is a director or specified near relations of a director of a banking company.

Our Director Mr.\_\_\_\_\_is specified near relation(state nature of relationship) of Mr.\_\_\_\_\_ who is the Chairman & Managing Director/Executive Director /Director of \_\_\_\_\_Bank.

I/We agree that in case the above declaration transpires to be false, the Bank shall have the right to recall the advance forthwith.

### **Environmental protection:**

With reference to the various credit facilities sanctioned by you to us vide your sanctioned letter dated \_\_\_\_\_, we \_\_\_\_\_ hereby agree, undertake and declare as under:-

- a) We shall comply with all Central, State and local environmental Laws.
- b) We shall take all the measures that might be required to preclude, prevent and/or remedy and contamination/pollution of natural air, water ,etc. All the expenses /charges relating thereto, connected therewith, and/or incidental thereto, shall be entirely borne by us, and the Bank shall not be approached by us for any financial assistance/payment on account or as a consequence thereof: nor shall the Bank be held liable /responsible for any noncompliance/lapse on our part.
- c) We shall notify to the bank forthwith on receipt by us, of any notice of potential /actual environmental violations or enforcement proceedings and we undertake to rectify the same within three months from the date of notice of such violations.
- d) We shall make our own arrangements for funding/incurring expenses related to either environment impact assessment or environmental audits ,and shall not seek any financial assistance therefore either from you or from any other Bank/Financial Institution.
- e) We shall also comply with the requirements of submission of periodical environmental reports, progress reports, insurance, etc. to the Authorities concerned under advice to you which advice shall be purely for/by way of information only.
- f) We hereby indemnify you and shall keep you indemnified at all times from/against any costs, damages, compensation, etc. that might result to you from/by reason of any violation committed by us of any Central State or local environment law.
- g) We hereby declare that as on date there is no violation of any law relating to environment protection/the following environmental problems still exist/continue with us.

1. \_\_\_\_\_

2. \_\_\_\_\_

3. \_\_\_\_\_

and we hereby undertake to rectify and set right deficiencies within a period of three months from the date hereof.

- h) We do hereby declare that no past/previous liability /dispute –legal, Financial or other-wise- is pending against us.
- i) This undertaking is irrevocable till all your dues are liquidated in full Shall extend to all facilities sanctioned and to be sanctioned in future.



In consideration of your granting/continuing the advance facilities to us and/or agreeing to give us certain accommodation in our advance account/s and facilities, we so as to bind ourselves and our successors and assigns, agree with and undertake to you and your successors and assigns that we shall not, without the prior permission in writing from the bank, grant any loan or advance to any company or firm, except in the normal course of business or invest any money in shares or debentures of any other company.

We also confirm that any such permission, if granted by Bank at its absolute discretion, shall be subject to our complying with the provisions of all relevant Laws, Acts, Articles, rules and Regulations applicable to such loans or advances or investments, and the bank shall not be responsible or liable for any breach thereof by the company.

We understand that it is on the faith of the aforesaid representations and express agreement/undertakings that the Bank has consented to entertained our proposal for the credit facilities.

IN WITNESS WHEREOF I/We have set and subscribed my/our hand/s this \_\_\_\_\_day of \_\_\_\_\_200.

Place: