

UNDERTAKING LETTER

To,
The Branch Manager,
Karnataka Vikas Grameena Bank,
_____ Branch

Dear Sirs,

Sub: Credit Facility provided under the Vikas Parihar an Emergency Credit Line Guaranteed Scheme (ECLGS)

Ref:

1. _____ (“**Borrower**”) has availed credit facilities aggregating _____ (“**Existing Facilities**”) from _____ (“**Bank/NBFC**”), inter-alia secured by security interest created over the moveable and immoveable properties, of the Borrower. The Borrower has also provided collateral security for the Existing Facilities owned by the sole or joint owner, apart from furnishing the personal / corporate guarantee* by the guarantor(s) as listed below (collectively referred to as “**Security Providers**”), more particularly described about the details of Security created for the Existing Facilities in the Annexure hereto (“**Securities**”).
2. In pursuance to the launch of the Emergency Credit Line Guarantee Scheme dated May 23, 2020 by the Government of India for 100% guarantee against additional credit facilities to eligible Individuals/Business Enterprises/Micro, Small and Medium Enterprises (“**Scheme**”), the Bank/NBFC has sanctioned additional credit facility aggregating _____ (“**additional Facility**”) to the Borrower, on _____. In accordance with the terms and condition of the Scheme, the additional Facility shall be guaranteed by a 100% guarantee provided by the National Credit Guarantee Trustee Company (**NCGTC**) (“**NCGTC/ Guarantor**”).
3. In consideration of the Bank/NBFC having agreed to grant the Borrower the additional Facility in terms of the Loan Agreement / documents dated _____, the Borrower hereby undertakes, agree and confirm that
 - (i) the security as provided for the Existing Facility will be considered as extended to secure the obligations under the additional Facility and shall be in full force and effect till all monies due under the Facility are repaid and shall not be affected or discharged by death, insolvency or winding up of the Borrower.
 - (ii) the Borrower will ensure that the Borrower / Security Providers, except for the extension of the security created for the additional Facility after creation of securities for the Existing Facilities, shall not sell, transfer, assign, cede, dispose of, mortgage, charge, pledge or

create any lien or in any way encumber the Securities without the prior written consent of the Bank/NBFC, till the Borrower's obligations are duly paid to the satisfaction of the Bank/NBFC towards the Existing / additional Facility under the scheme..

- (iii) The Borrower/ Security Provider shall ensure that security extended for the additional facilities after creation of the security for the existing facilities, the Securities shall remain in full force and effect by way of continuing security to secure the additional Facility granted under the Scheme.
- (iv) The Borrower/Security Providers shall further declare and undertake that during the currency of the additional facility in case of any eventuality arises in the scheme and as and when called upon by the Bank/NBFC, to comply forthwith, the Borrower/ Security Provider shall ensure to complete the same and comply with all requisite formalities and create additional security interest to the satisfaction to the Bank/ NBFC over and above the Securities for the additional Facility in such form and in such manner as may be required by the Bank/ NBFC.
- (v) without prejudice to the Bank's / NBFC's right under any loan /security document executed in relation to the Existing Facility and/or the additional Facility, all moneys resulting from the enforcement or realization of the Securities by or on behalf of the Bank/ NBFC shall be available for distribution first for any and all amounts outstanding under the Existing Facility and thereafter be applied towards the payment of outstanding dues under the additional Facility.
- (vi) The Borrower and the Security Providers agree and confirm that the Guarantor/NCGTC under the Scheme shall be entitled to claim and realize to fructify the benefit from each and every security inclusive general lien which the Bank/NBFC has against the Borrower under the Existing Facility/ additional Facility or any other facility provided by the Bank/NBFC.

4. The Borrower / Security Providers agree, accept and confirm that the Bank/NBFC shall have the right to retain the security and the loan/security documents submitted or deposited by the Borrower/ Security Providers in relation to the Creation of Security/ extension of security interest, until the Borrower's obligations under the additional Facility are duly discharged in full to the satisfaction of Bank/ NBFC.

Yours faithfully,

Signature

ANNEXURE-B

Sr. No.	Asset Description and Security Details for Existing/ additional Facilities	Security Provider(s)