

ANNEXURE X

(To be executed on a stamp paper of requisite value)

(This is a standard template. This may be customized on a case to case basis)

BORROWER'S LETTER OF UNDERTAKING CUM INDEMNITY

Dated this ____ day of _____ 2010;

BY

[Name of the Borrower], **[Legal status of the Borrower]** a ____ having its registered office at **[Address]**, (hereinafter referred to as "**the Borrower**") which expression shall, unless it be repugnant to the subject or context thereof, include its successors and permitted assigns) acting through Mr. [.] **[Designation]**, duly authorized vide board resolution/power of attorney dated [●];

IN FAVOUR OF

National Skill Development Corporation a non-profit company, registered under the Companies Act, 1956, licensed under Section 25 of the same, having its registered office at D-4, Clarion Collection, Shaheed Jeet Singh Marg, New Delhi-110016, "**Corporation**", (which expression shall, unless it be repugnant to the subject or context thereof, include its successors and permitted assigns) acting through Mr. **[please fill in name of the person and his/her designation]**, duly authorized vide board resolution dated **[please fill in the date]**.

WHEREAS

A. The Corporation has granted/have agreed to grant to the Borrower, financial assistance of a sum aggregating to Rs. _____ (Rupees _____ Only) (hereinafter collectively referred to as "**the Assistance**") inter alia on the terms and conditions contained in the [.] agreement dated _____ **[please fill in**

the name of the agreement entered into between the Parties] (hereinafter referred to as the "**Agreement**"), executed between the Borrower and the Corporation;

- B. In terms of the Agreement, all obligations of the Borrower (whether financial, performance or otherwise) under the said Agreement and/or any other Facility Agreements, including, without limitation, the payment of Repayment Installments, interest, fees, damages, reimbursements or otherwise together with all interest, costs, charges, expenses and all other monies payable by the Borrower in respect thereof (hereinafter collectively referred to as "**the Secured Obligations**") shall, inter alia, be secured by hypothecation of Hypothecated Assets by the Borrower under the Deed of Hypothecation dated ____ ("**Deed of Hypothecation**") executed by the Borrower, in favour of the Corporation, and Mortgage Deed dated _____ ("**Mortgage Deed**") executed by the Borrower in favour of the Corporation.
- C. The Borrower has to comply with various formalities including obtaining No Objection Certificates from other existing lenders (if any) of the Borrower within (15) fifteen days, prior to creation of the aforesaid security(ies) and hereby declare and confirm that requisite action for giving effect to the same has been initiated in this behalf;
- D. At the Borrower's request, the Corporation has agreed to make disbursements out of the Assistance pending creation of the security as per clause B hereinabove, subject, to the Borrower providing certain undertakings/further documents.
- E. All capitalized terms used herein, unless specifically defined herein, shall have the meanings ascribed to them respectively in the Agreement.

NOW THIS DEED WITNESSETH AS FOLLOWS:

- 1. In consideration of the above premises, the Borrower hereby agrees with, confirms and undertakes to the Corporation that the Borrower shall -
 - (i) Execute a Deed of Hypothecation in respect of the Hypothecated Assets (as detailed in Schedule I hereto) and Mortgage Deed (as detailed in Schedule I hereto) in respect of the Mortgaged Assets and file the appropriate declarations with the Registrar of Companies within 15 days there from and shall not deal with, dispose off, create any right or interest in favour of any other person or encumber the Hypothecated Assets and the Mortgaged Assets in any manner whatsoever;

- (ii) within a period of 15 days from the date hereof or such extended time as may be agreed to by the Corporation, comply with all requisite formalities, procure NOCs and create the security/ies as aforesaid, in such form and in such manner satisfactory to the Corporation;
 - (iii) pay additional interest at _____% p.a on the amount of disbursement/s with retrospective effect, in the event that the final security/ies is/are not created as per the terms of the Agreement;
 - (iv) create additional collateral security in favour of the Corporation, if any, as per the terms of the Agreement;
 - (v) obtain insurance policy/ies with the Corporation as “Loss Payee” and keep alive the insurance cover throughout the tenure of the Assistance;
 - (vi) make relevant applications to existing lenders, if any, and obtain the necessary No Objection Certificate/s/Approval/s/Permission/s to create an exclusive charge on the Hypothecated Assets and the Mortgaged Assets;
 - (vii) In the event of any default during the tenure of the Agreement, not declare any dividend without the written approval of the Corporation.
 - (viii) Properly maintain and use the Hypothecated Assets and the Mortgaged Assets, not operate or locate the Hypothecated Assets and the Mortgaged Assets or allow the Hypothecated Assets and the Mortgaged Assets to be operated or located in or over any area of hostilities, any geographical area which is not covered by the insurance policies, and/or not deal with in any manner and/or dispose off any of the Hypothecated Assets and the Mortgaged Assets or part thereof without the consent of the Corporation.
2. The Borrower hereby unconditionally indemnifies and agrees to keep indemnified the Corporation, its Directors, employees and agents, at all times, in respect of any costs (including actual legal costs), charges and expenses which the Corporation or any of them may incur or any loss or damage which the Corporation or any of them may suffer or be put to or

which may be occasioned to the Corporation or any of them on account of non-compliance or insufficient compliance on the part of the Borrower of any of the requirements specified above and/or in effecting the creation of security/ies in favour of the Corporation as hereinabove mentioned under applicable law.

3. The Borrower agrees, confirms and declares that any breach or default in complying with all or any of the aforesaid undertaking(s) will constitute an event of default under the Agreement.

4. The Borrower is aware and confirms that it is on the faith of their aforesaid undertakings that the Corporation has agreed to permit disbursements from out of the Assistance as aforesaid, pending creation of the said security/ (ies) as aforesaid.

IN WITNESS WHEREOF THE BORROWER has executed this Undertaking cum Indemnity in the manner hereinafter appearing on the day, month and year first hereinabove written

Signed and delivered for and on behalf of:

[Name of the Borrower]

Name - *[Name of the authorised person]*

Signature _____

Date _____

Witnessed by:

Name _____

Signature _____

Address _____

Schedule I

Details of the Hypothecated Assets and the Mortgaged Assets