

Further to our notice no.6977. The Exchange has received a specimen of undertaking from Pakistan Banking Association, which will be acceptable to all banks with other relevant documents while conversion of Running Finance to Term Finance facility against property collaterals to members of Karachi Stock Exchange (Guarantee) Ltd.

The specimen of undertaking has been reproduced hereunder for information and record of members.

UNDERTAKING

I, _____ s/o, w/o, d/o _____ holding NIC No. _____ resident of _____

("Customer"), do hereby declare and state on solemn affirmation as follows:

1. At the request and based upon the representation and warranties of the Customer to the [●] ("Bank"), the Bank has agreed to extend a finance facility to the Customer for an aggregate amount of PKR [●] (Pak Rupees [●] only) ("Finance Facility").
2. As security for the repayment of the Finance Facility, the Customer has agreed to create an equitable mortgage over his / her immovable property located at [●] ("Property") until such time the amounts due and outstanding to the Bank from the Customer have been satisfied ("Mortgage") and the Customer has been notified in writing by the Bank confirming the same.
3. The Mortgage over the Property shall be created by the Customer by depositing the title deeds in respect of the Property to the Bank and the same shall be perfected upon receipt of a Permission to Mortgage to be issued by [please insert name of relevant authority] ("Permission to Mortgage"), which shall be obtained by the Customer within [●] day of the execution of this Undertaking.
4. The Customer hereby irrevocably undertakes, agrees and covenants that it shall (i) obtain the Permission to Mortgage within [●] days from the date of execution of this Undertaking; and (ii) procure the registration and execution of the Form A Lease Deed / or any other lease deed, which shall be executed in favour of the Customer by [please insert name of relevant authority] within [●] days from the date of execution of this Undertaking ("Lease Deed").
5. That in the event the Mortgage to be created over the Property is not perfected due to the Customer not providing the Bank with the Permission to Mortgage and / or the executed original of the Lease Deed and / or the Bank is not able to enforce the Mortgage in order to recover the amounts due and outstanding by the Customer, the Customer shall be solely liable for the repayment of all amounts due and payable in respect of the Finance Facility within a period of ten (10) days from the date of such failure.
6. That the Customer hereby in particular agrees, covenants and undertakes to indemnify and hold the Bank harmless against any and all claims, losses, costs (including reasonable legal costs) and charges which the Bank may incur or suffer on account of any claim or legal proceedings brought by any person against the Bank or in respect of any loss suffered by the Bank in the event that the Bank is unable to enforce the Mortgage created over the Property and / or in the event of the Customer's failure to provide to the Bank the Permission to Mortgage issued by the [insert name of relevant authority] in favour of the Customer and / or in the event of the Customer's failure to procure the execution and registration of the Lease Deed in accordance with the terms hereof.
7. That the Customer undertakes to provide the Bank with the (i) Permission to Mortgage duly issued by [please insert name of the relevant authority] in the name of the Customer; and (ii) the Lease Deed executed and registered in the name of the Customer by [please insert name of the relevant authority], within the time period as specified in this Undertaking.
8. The Customer hereby agrees to further indemnify the Bank against any loss that may be suffered by the Bank as a direct and / or indirect consequence of the Customer's failure to perfect the Mortgage in favour of the Bank to provide the Permission to Mortgage and / or to provide the Lease Deed to the Bank and / or to provide any additional security that may be required by the Bank in order to recover the amounts due and outstanding to the Bank in respect of the Finance Facility and further agrees to reimburse all costs, charges, expenses, penalties, losses that may be suffered by the Bank as a direct and / or indirect consequence of the same.