

# Commercial Contract

## UNDERTAKING FOR APPROPRIATE UTILIZATION OF FUNDS



*Empowered lives.  
Resilient nations.*



### Small and Medium Enterprises Development Authority

#### Ministry of Industries & Production

#### Government of Pakistan

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## **Undertaking for Appropriate Utilization of Funds**

Pro-Gole (Right to do Business)

Legal Services, B&SDS

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### **LEGAL SERVICES, SMEDA**

The Legal Services (LS) department is a part of Business & Sector Development Services Division of the Small Medium Enterprises Development Authority and plays a key role in providing an overall facilitation and support to the small businesses. The LS believes that information dissemination among the small businesses on the existing legal & regulatory environment and business to business and business to client contracting is of paramount importance and plays a pivotal role in their sustainable development.

In order to facilitate small businesses, the LS, under the Pro-GOLE (Right to do business) project, a joint SMEDA-UNDP initiative for supporting the small businesses, has developed user-friendly contract templates.

### **Pro-GOLE, (Right to do Business)**

The UNDP has partnered with the Small and Medium Enterprises Development Authority to initiate and execute the Pillar 4 (Right to do business) component of the UNDP PRO-GOLE project which seeks to enhance the legal awareness and mobility of marginalized/ informal businesses. Under the project legal services outreach shall be extended to small businesses including home based enterprises, small shopkeepers, growers, women entrepreneurs, hawking vendors etc. In addition, small business shall be mobilized to access legal services.

### **The Need for Commercial Contracts Templates**

In an increasingly complex and competitive industry, it is vital that suppliers and purchasers are fully protected against legal and commercial risks. To counter such risks, a viable solution; available as- of the shelf commercial contract templates- will provide the users with first class ready to use support. With obligations properly set out and liabilities accurately defined, the users will be in a far better position to look after their rights and interests and move forward from their marginalized positions to being active players of the economy. The Legal Service Providers can equally take benefit of these templates for their professional and business development.

### **Disclaimer**

The information contained in this template is meant to facilitate the businesses with reference to banking transactions. However, SMEDA, UNDP or any of their employees or representatives accept no responsibility and expressly disclaim any and all liabilities for any and all losses/shortfalls caused by or motivated by recommendations from the information contained within this document. Although SMEDA's ambition is to provide accurate and reliable information; yet, the document is not an alternative to expert legal advice and should ideally be used in conjunction with the same. Any person using this document and or benefiting from the information contained herein shall do so at his/her own risk and costs and be deemed to have accepted this disclaimer.

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[Insert Date]

[Insert Designation]

[Insert Bank's Name]

[Insert Branch's Name]

[Insert Address]

### **SUBJECT: UNDERTAKING FOR APPROPRIATE UTILIZATION OF FUNDS**

Dear Sir,

I/We, [insert name of the Creditor], have entered into a [insert name of the Agreement] (hereinafter referred to as the "Finance Agreement") with the Bank on [insert date] wherein a finance facility of Rs. \_\_\_\_\_/- (Rupees \_\_\_\_\_) (insert amount) (hereinafter referred to as the "Finance Facility") has been extended to me/us for the purpose of [insert purpose of the Finance Facility].

I/we hereby undertake and confirm that I/we shall use the funds disbursed to me/us under the Finance Facility for the sole purpose of [insert purpose of Finance Facility], and in accordance with the Finance Agreement and other documentation pursuant to the Finance Facility, including the Finance Facility Offer Letter.

I/we further agree and undertake that in case I/we fail to abide by the terms of this Undertaking or any other terms and conditions of the any of the documents executed pursuant to the Finance Facility, the Bank shall have the irrevocable authority to call off the Finance Facility immediately, and in such case, the entire amount of the Finance Facility then utilized by me/us, along with the accrued markup and any other charges related thereto, shall become immediately payable to the Bank from me/us.

Regards,

[Insert Signatory's Name]

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[Signature]