

Agreement specimen for Financial Assistance (Investment grant) under Integrated Development of Leather Sector Scheme (IDLS)

THIS AGREEMENT made at _____ on this dated _____ between M/s _____, a sole proprietary/Partnership/Pvt.Ltd/Limited/HUF/LLP concern of Mr/Ms/Mrs _____ son/Daughter/wife of _____ aged ___ years, having its office and factory at _____ here in after referred to as "the **Borrower/Beneficiary unit or both** as " which expression shall, unless it be repugnant to the subject or context thereof, include its successors and assigns of the FIRST PART and

AND

_____ bank, a body corporate constituted under _____ Act _____ having its Head office at _____ (hereinafter referred to as "**Bank**" which term and expression shall, unless it be repugnant to the context of meaning thereof , mean its successors –in-interest and assigns) of the SECOND PART and

AND

FDDI, a body constituted under society act 1956 having its Head office at A-10-A Sector 24 Noida (UP)(hereinafter referred to as (Project Implementation Unit) for disbursement of IDLS scheme which term and expression shall, unless it be repugnant to the context of meaning thereof , mean its successors –in-interest and assigns) of the THIRD PART

WHEREAS

1. FDDI was appointed as the PIU for channelizing Investment grant for Modernization and Technology Upgradation of the Industrial Units in the Leather Sector under **Integrated Development of Leather Sector Scheme** by the Department of Industrial Policy & Promotion, Ministry of Commerce & Industry, Govt. of India (**hereinafter referred to DIPP**) and permitting the financial institution / Bank under the Scheme for claiming investment grant on the cost of specified plant & machinery under the Scheme financed by the financing institution/bank to the beneficiary. Units financing from their own resources where the financial appraisal was executed by their BANK where the unit have CC/ WC or Current account is also entitled to claim IDLS grant through their respective Bank.

2. The beneficiary has requested this financial institution/ _____ bank for providing investment grant under the Scheme to the extent of **Rs. _____ (Rupees _____ Only)** for undertaking modernization/ technology upgradation vide DIPP sanction letter no _____ dated _____. The technical appraisal of which was cleared by the Project Implementation Unit (PIU) **FDDI/CLRI** on which this financing/Lending institution / Bank has lend for Implementation of the expansion/ upgradation/modernization program, or the beneficiary unit has advised the bank to pay from Current/ CC/WC account in case of self-finance proposal in proportion to the investment made in purchase of machineries for technology up gradation/modernization programme by the Beneficiary as per the terms and conditions provided in the Agreement executed between the Beneficiary unit (for the component of Means of Finance) or financing institution / Bank and FDDI as per the terms and conditions stipulated by Government of India under the Scheme(investment grant component portion of the means of finance).

3. _____ Bank has agreed to channelize disbursement of IDLS grant for Government of India sanctioned to the Beneficiary by the Steering committee under the Scheme, and the parties hereto desire to enter into an agreement for the said purpose, being these presents providing for the terms hereinafter appearing.

NOW THESE PRESENTS WITNESS AND IT IS HEREBY AGREED BY AND BETWEEN THE PARTIES HERETO AS FOLLOWS:-

1. The Beneficiary, hereby, covenants:

a) That the Beneficiary will comply with and faithfully observe all the terms and conditions of the said Scheme and also all the subsequent amendments and modifications and additions thereto together with the conditions of the sanction of the said financial assistance.

b) That the Beneficiary will allow the officers of _____ (bank) and / or the Government of India or any other person or persons authorized, by FDDI or by Government of India to inspect the work for which the investment grant has been granted and also the machines, plant appliances, tools, equipment, etc., for the procuring of which the investment grant has been sanctioned and will furnish such information concerning the machines, plant, implements, etc., for procuring of which the investment grant has been granted or concerning the matters connected with the investment grant or incidental thereto as _____ (bank) or the FDDI or their nominees may, from time to time require.

c) That the Beneficiary will not change the place or location of the industrial unit entirely or partly, nor enter into partnership with any one, or change its constitution by merger, amalgamation or in neither any manner nor the Beneficiary effect disposal of fixed capital investment nor change its bank account without the express prior permission of DIPP in writing.

2. It is further hereby agreed and declared by and between the parties thereto, that in any of the following cases namely,

a) where at any time it is found that the Beneficiary has obtained the investment grant by misrepresentation as to an essential fact, or by furnishing of false information; or,

b) where the Beneficiary fails to furnish the prescribed statement or information which it is called upon to furnish including the quarterly Report in **Form IDLS-III** as prescribed under the Scheme or

c) where the industrial unit becomes non-operational within two years of the receipt of investment grant from Government of India,

or

If the Beneficiary commits breach of any one of the covenants herein contained or of the terms and conditions of the Scheme as amended from time to time, the Beneficiary shall refund the investment grant under the Scheme forthwith to the Nodal bank together with interest **from the date of disbursal/date of closure to the date of refund (as the case may be)** at the then prevailing prime lending rate of Financial institute/Bank.

d) In case at any time it is found that the Grant has been availed of on the basis of any false information, **the Bank as per clause 6.6 of the broad scheme guidelines, shall initiate action** for recovery of the Grant in accordance with the extant laws.

3. It is hereby further agreed and declared that the stamp duty chargeable on these presents shall be paid and borne by the Beneficiary and that the Beneficiary will also be liable to bear the expenses, if any, incurred by enforcing the terms and conditions of these presents.

IN WITNESS WHEREOF the proprietor of Beneficiary have set their respective hands hereto and to a duplicate hereof on the day, month and year first hereinabove written and Bank has caused these presents and the said duplicate to be executed by the hand of Shri _____ (Name and designation) of (Bank), as hereinafter appearing.

SIGNED AND DELIVERED BY the within named _____, proprietor/Partners/Directors of M/s _____ the within named Proprietorship/Partnership/Private Limited firm.

SIGNED AND DELIVERED BY the within named _____ Bank by the hand of Shri _____, Assistant General Manager, an authorised official of _____ (Lending Bank).

SIGNED AND DELIVERED BY the within named _____ Bank by the hand of Shri _____, Assistant General Manager, an authorised official of _____ (Nodal Bank).

SIGNED AND DELIVERED BY Shri _____, Authorized signatory PIU

(Name of all partners/Directors shall be included in case of partnership firm and companies.)

Note

1. *Relevant Board Resolution authorising the person(s) to execute the document on behalf of the Beneficiary has to be submitted with the Agreement.*

2. *Please note that this agreement is to be stamped as an agreement under the Indian Stamp Act 1899 before execution by the * beneficiary unit as per the rates of stamp duties applicable in concerned State..*

13. *Please ensure that all alterations/cancellations/overwriting erasures etc., are authenticated under the full signature of person/persons authorized to sign the document.*

