

**Agreement for Financial Assistance (Investment grant) under Integrated Development of  
Leather Sector Scheme (IDLS)  
(For Bank Financing cases)**

THIS AGREEMENT made at \_\_\_\_\_ on this dated \_\_\_\_\_ between M/s \_\_\_\_\_, a sole proprietary/Partnership/Pvt. Ltd concern of Mr/Ms/Mrs \_\_\_\_\_ son/Daughter/wife of \_\_\_\_\_ aged \_\_\_\_\_ years, having its office and factory at \_\_\_\_\_ hereinafter referred to as "the Borrower" which expression shall, unless it be repugnant to the subject or context thereof, include its successors and assigns of the FIRST PART and

AND

\_\_\_\_\_ (hereinafter referred to as \_\_\_\_\_ financing bank) [which expression shall unless repugnant to the context or meaning thereof include its successors and assigns] of the other part.

AND

Canara bank, a body corporate constituted under banking Companies (Acquisition & Transfer of Undertakings) Act 1970 having its Head office at 112, J.C.Road, Bangalore 560002( hereinafter referred to as Nodal Bank which term and expression shall, unless it be repugnant to the context of meaning thereof , mean its successors –in-interest and assigns)

**WHEREAS**

1. FDDI appointed \_\_\_\_\_ as the Nodal Bank for channelising Investment grant for Modernisation and Technology Upgradation of the Industrial Units in the Leather Sector under **Integrated Development of Leather Sector Scheme** launched by the Department of Industrial Policy & Promotion, Ministry of Commerce & Industry, Govt. of India (**hereinafter referred to as the Scheme**) 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.

2. The beneficiary has requested 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) \_\_\_\_\_ after which the financing/Lending institution / Bank has agreed to lend in proportion to the investment made or to be 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 financing institution /Bank and the Beneficiary (for the loan component of Means of Finance) and 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 act as the Nodal Bank for Government of India for channelizing disbursement of investment grant 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 \_\_\_\_\_ (nodal 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 \_\_\_\_\_ (nodal 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 any manner nor the Beneficiary effect disposal of fixed capital investment nor change its bank account without the express prior permission of SIDBI 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 disbursement/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 Nodal Bank, and FDDI, shall jointly 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).

(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.*

