

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

This Agreement made at _____ on this ___ day of _____ in the year _____ between

- A. Shri _____, S/O _____, age ___ years residing at _____.
- B. Shri _____, S/O _____, age ___ years residing at _____.
- C. Shri _____, S/O _____, age ___ years residing at _____.
- D. Shri _____, S/O _____, age ___ years residing at _____.
- E. Shri _____, S/O _____, age ___ years residing at _____.

carrying on business in proprietorship/Partnership/Directors in the firm name and style of _____ and having their office at _____ (herein referred to as ' Beneficiary' which expression shall, unless it be repugnant to the subject or context thereof include its/his/her/their legal representative, heirs, administration, successors and assign) of the One part

AND

_____ (hereinafter referred to as Nodal bank) [which expression shall unless repugnant to the context or meaning thereof include its successors and assigns] of the Other part.

WHEREAS

1. Government of India 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**)

2. The beneficiary has requested _____ bank for providing investment grant under the Scheme to the extent of Rs. _____ (Rupees _____ only.) for undertaking modernisation/

technology upgradation vide DIPP sanction letter no _____ dated _____. The technical appraisal of which was cleared by the Project Implementation Unit (PIU) _____ after which the _____ (Current/working capital account holding bank) has agreed to carry out financial appraisal of the project for enabling the beneficiary unit in claiming investment grant on the cost of specified plant & machinery under the Scheme financed **by the unit without involving any loan from Bank/Financing Institution** as per the terms and conditions stipulated by Government of India under the Scheme.

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 _____ 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, equipments, 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 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 SIDBI 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 SIDBI.

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 partners 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 _____, Assistant General Manager of _____ Bank, as hereinafter appearing.

SIGNED AND DELIVERED BY the
withinnamed _____ Shri
_____ Proprietor/Partner/Director of
_____ the within named partnership
firm.

SIGNED AND DELIVERED BY the
withinnamed Shri _____, Partner/Dirctor
of _____ the within named partnership
firm.

SIGNED AND DELIVERED BY the
withinnamed Shri _____, Partner of

_____ the within named partnership firm.

SIGNED AND DELIVERED BY the within named Shri _____, Partner of _____ the within named partnership firm.

SIGNED AND DELIVERED BY the within named Shri _____, Partner of _____ the within named partnership firm.

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

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.*
3. *In case of Partnership firm/HUF/Company, it is mandatory for all the members to sign the agreement including members residing abroad.*
3. *Please ensure that all alterations/cancellations/overwriting erasures etc., are authenticated under the full signature of person/persons authorized to sign the document.*