

(To be stamped as an Agreement)

**Agreement for availing of Credit Linked Margin Money Subsidy under
Restructured Technology Upgradation Fund Scheme (CLMMS-TUFS) for
Small Scale Textile and Jute Industries**

This Agreement made at _____ on this day of _____ in the year _____ between
M/s _____ a public / private Limited Company/ proprietary concern,
incorporated under the Companies Act of 1956 and having its Registered Office at
_____ and being an industrial concern hereinafter called the Beneficiary (which
expression shall unless repugnant to the context or meaning thereof include its successors
and assigns) of the One part.;

OR FOR PARTNERSHIP FIRM

- (i) Shri -----son of -----age ----- years residing at _____
- (ii) Shri -----son of -----age ----- years residing at _____
- (iii) Shri -----son of -----age ----- years residing at carrying on
business in partnership in the firm name and style of ----- and having their office at
----- (hereinafter referred to as 'Beneficiary' which expression shall,
unless it be repugnant to the subject or context thereof, include its/his/her/their legal
representatives, heirs, administrators, successors and assigns) of the One part.

AND

(hereinafter referred to as the financing institution/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 has appointed Small Industries Development Bank of India
(SIDBI) as Nodal Agency or _____ as nodal bank (hereinafter referred
to as the Agent) for channelising Credit Linked Margin Money Subsidy for Technology
Upgradation of the Small Scale Textile and Jute Industries under Restructured Technology
Upgradation Fund Scheme (TUFS) of Ministry of Textiles, Govt. of India (hereinafter referred
to as the Scheme) and permitting the financial institution / Bank under the Scheme for

claiming margin money subsidy on the term loan sanctioned and disbursed by the financing institution/bank to the beneficiary.

2. The beneficiary has requested the financing Institution/ Bank for providing assistance under the Scheme to the extent of Rs. (Rupees_____ only) for setting up a project under small scale industries, which the financing Institution / Bank has agreed to lend in proportion to the eligible investment made or to be made in purchase of machineries under Restructured TUFs by the Beneficiary as per the terms and conditions provided in the Agreement executed between the financing institution / Bank and the Beneficiary.

3. The Agent has agreed to act as nodal agency for Government of India for channelising disbursement of capital subsidy sanctioned to the Beneficiary by the financing institution/ Bank, 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 the Agent and / or the Government of India or any other person or persons authorised, by the Agent or by Government of India or by the Technology Advisory-cum-Monitoring Committee (TAMC) / Inter-Ministerial Steering Committee (IMSC) to inspect the work for which the margin money subsidy has been granted and also the machines, plant appliances, tools, equipments, etc., for the procuring of which the subsidy has been granted and will furnish such information concerning the machines, plant, implements, etc., for procuring of which the margin money subsidy has been granted or concerning the matters connected with the margin money subsidy or incidental thereto as the Agent or the TAMC/IMSC 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 will effect disposal of fixed capital investment without the express prior permission of the Agent 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 the Beneficiary has obtained the margin money subsidy by misrepresentation as to an essential fact, or by furnishing of false information; or, where the industrial unit goes out of production within three years from the date of disbursement of margin money subsidy except in cases where the unit remains out of production for short periods not exceeding three months (six months in case of ginning and pressing factories and not to any other manufacturing activity of the textile industry) due to reasons beyond its control such as shortage of raw material / power etc.; or

b) where the Beneficiary fails to furnish the prescribed statement or information which it is called upon to furnish.

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 same forthwith to the financing institution / bank together with interest at the then prevailing prime lending rate of financing institution/bank. The bank/FI shall take all steps for recovery of the margin money subsidy to the Beneficiary as it is provided by the Agent and all the expenses incurred by the bank/FIs/Agents for recovery shall also be recoverable from the beneficiary. The margin money subsidy along with interest so recovered shall be transferred to the Govt.

3. The interpretation/clarification/decision of agent or *TAMC/IMSC* regarding the eligibility, subsidy and any other benefits of an unit/borrower under the scheme, either before or after release of the loan facility by the financing institution/bank shall be binding on the beneficiary and the beneficiary will not raise any objection either against agent or bank/financing institution.

4. 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 Beneficiary has caused its common seal to be affixed 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 & Designation*) of Bank, as hereinafter appearing.

THE COMMON SEAL OF LIMITED has pursuant to the Resolution of its Board of Directors passed in that behalf on the _____ day of _____ hereunto been affixed in the presence of Shri _____ and Shri _____ Shri _____, Director who have signed these presents in token thereof and Shri _____ Secretary* / Authorised* person who has signed / countersigned the same in token thereof

SIGNED AND DELIVERED BY the within named Bank by the hand of Shri _____ (Name & Designation), an authorised official of Bank.

OR

IN WITNESS WHEREOF the partners of the 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 & Designation) of Bank, as hereinafter appearing.

1) SIGNED AND DELIVERED BY the within named Shri _____ Partner of _____, the within named Partnership Firm.

2) SIGNED AND DELIVERED BY the within named Shri _____ Partner of, _____ the within named Partnership Firm.

Signed and delivered by

the within named _____

By the hand of Shri _____

In pursuance to the Board Resolution dated _____ and common seal has been affixed in presence of Shri _____ who has signed in token thereof.

Signed and delivered by the within named FI / NSIC /Bank / SFC* by the hand of Shri _____ authorised official.

(*whichever is applicable)

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