

APPENDIX- B

(To be stamped as an Agreement)

Agreement for Financial Assistance under Special Credit Linked Capital Subsidy Scheme (SCLCSS) for Micro & Small Enterprises

(To be executed by PLI with SC/ST MSEs)

This Agreement made at.....on this..... day
of..... in the year Two thousand.
..... 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.....aged..... years residing at.....
- (ii) Shri.....son of.....aged..... years residing at.....
- (iii) Shri.....son of.....aged..... 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. The Ministry of MSME appointed as
Nodal Agency (hereinafter referred to as the Agent) for channelizing Special Credit
Linked Capital Subsidy Scheme (SCLCSS) for SC/ST Micro & Small Enterprises
under Ministry of MSME, Govt. of India (hereinafter referred to as "the Scheme")
and permitting the financial institution/ bank under the scheme for claiming capital
subsidy on the term loan sanctioned and disbursed by 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 purchase of
plant & machinery and equipment for setting up / expansion of Micro/Small
Enterprise, which the financing institution/bank has agreed to lend in proportion
to the investment made or to be made in purchase of machineries by the
Beneficiary as per 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 channelizing 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 terms and conditions of the said Scheme and 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 authorized, by the Agent or by Government of India to inspect the work for which the capital subsidy has been granted and also the machines, plant, appliances, tools, equipment, etc. for the procuring of which the subsidy has been granted and will furnish such information concerning the machines, plant implements, equipment etc., for procuring of which the capital subsidy has been granted or concerning the matter connected with the capital subsidy or incidental thereto as the Agent 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 anyone, or change its constitution by merger, amalgamation or in any manner nor the Beneficiary effect disposal of fixed capital investment without the express prior permission of the Agent in writing.
 - d. The Beneficiary unit shall remain in commercial production for a period of at least three years after installation of eligible plant & machinery and equipment on which subsidy under SCLCSS has been obtained, otherwise, the entire amount of subsidy along with the interest to be charged from the date of disbursal to the date of refund will have to be refunded by the Beneficiary unit. This is except in cases where the unit remains out of production for short periods not exceeding three months due to reasons beyond its control such as shortage of raw material / power, etc. to the satisfaction of the lending institution/ concerned PLI.
2. It is further hereby agreed and declared by and between the parties hereto, that in any of the following cases, namely,
 - a. where the Beneficiary has obtained the capital subsidy 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, 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.

3. The interpretation/ clarification/ decision of agent regarding the eligibility, subsidy and any other benefits of a 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/financing institution/ bank.
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 duplicate hereof on the day, month and year first hereinabove written and the financing institution/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....., Director who have signed these presents in token thereof and Shri.....Secretary*/Authorized' 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 authorized official of financing institution/bank.

OR

IN WITNESS WHEREOF the partners of the Beneficiary have set their respective hand 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 financing institution/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 namedBy the hand of Shriin pursuance to the Board Resolution dated and common seal has been affixed in presence of Shri.who has signed in token thereof.
- 3) " SIGNED AND DELIVERED BY the within named FI/Bank/SFC the hand of Shri..... authorised official.

(*whichever is applicable).

Note: Relevant Board Resolution authorizing the person(s) to execute the document on behalf of the Beneficiary must be submitted with the Agreement.

