

ANNEXURE VII

(To be executed on a stamp paper of requisite value)

(This is a standard template. This may be customized on a case to case basis)

GRANT AGREEMENT

This **Grant Agreement** (“**Agreement**”) dated this ____ day of _____ 2010 executed by:

National Skill Development Corporation, a non-profit company, registered under the Companies Act, 1956, licensed under Section 25 of the same and having its registered office at D-4, Clarion Collection, Shaheed Jeet Singh Marg, New Delhi-110016, (hereinafter referred to as the "**Corporation**", which expression shall, unless it be repugnant to the subject or context thereof, include its successors and permitted assigns) acting through Mr. [____], [*please insert the name and designation*], duly authorized vide board resolution dated [*please insert the date*];

AND

_____ [*please insert the name of the firm/company/society/trust and address of the registered office*], (hereinafter referred to as "**Grantee**" which expression shall, unless it be repugnant to the subject or context thereof, include its successors and permitted assigns) acting through Mr. [____], [*please insert the name and designation*], duly authorized vide board resolution dated [*please insert the date*]

The Corporation and the Grantee are hereinafter individually referred to as a “**Party**”, and collectively, as “**Parties**”.

WHEREAS:

- a) The Corporation is established as a public private partnership with the object of developing unskilled and semi-skilled labour force into productive and skilled labour and to establish, manage, run and support institutes and polytechnics for achieving this objective. The primary activity of the Corporation is to utilize and manage the funds transferred to it by National Skill Development Fund (“NSDF”). These funds are invested by the Corporation into various skill development projects for achieving its objectives.
- b) The Grantee is a company incorporated under Companies Act, 1956. [*please insert the name of the firm/company/society/trust and address of the registered office*]

- c) The Grantee has submitted a Project Proposal to the Corporation for providing the funds to the tune of Rs. [____] which shall be further utilized by the Grantee for meeting the Project Cost (mentioned in Schedule I) involved in implementing the Project (more particularly described in Schedule II).
- d) The objectives of the Corporation of developing unskilled and semi-skilled labour force into productive and skilled labour and to establish, manage, run and support such institutes for achieving these objectives, are common to the objectives for which the Grantee has proposed to set up the Project. Therefore, to further its objectives, the Corporation has agreed to provide financial assistance of Rs. [____] (“**Assistance**”) as a grant to the Grantee which shall be used by the Grantee for implementing the Project on such terms and conditions as contained hereinafter.
- e) This Agreement sets out the terms and conditions upon which the Corporation has agreed to provide the Assistance to the Grantee. The Parties hereto are desirous of recording the terms and conditions of their understanding specified herein this Agreement.
- f) The Parties hereto are desirous of recording the terms and conditions of their understanding specified herein this Agreement.

NOW THEREFORE, IN CONSIDERATION OF THE COVENANTS CONTAINED HEREINAFTER, THE PARTIES HEREBY AGREE AND THIS AGREEMENT WITNESSETH AS FOLLOWS:

I. DEFINITIONS

- 1.1 In this Agreement, unless the context otherwise so requires, the following expressions shall have the meanings as set out against each of it, viz:
 - (i) “**Acquired Assets**” shall mean the asset(s) that are acquired by the Grantee out of the Grant Amount and includes any individual items comprised in the asset(s) and all spares, accessories, attachments, alterations, replacements and/or additions to the asset(s) or any item or any part thereof during the period of this Agreement.
 - (ii) “**Authority**” shall mean and include any applicable legislative body, regulatory or administrative authority, agency or commission, or any court, board, bureau, instrumentality, tribunal, or judicial or quasi-judicial or arbitral body having authority of law.
 - (iii) “**Business Day**” shall mean a day on which the office of the Corporation as

described in this Agreement, or such other office as may be notified by the Corporation to the Grantee, is open for normal business transactions.

- (iv) “**Constitutional Documents**” shall mean the Memorandum and Articles of Association of the Grantee.
- (v) “**Facility Agreements/Documents**” shall mean and include this Agreement, Project Approval issued by the Corporation in respect of the grant of the Grant Amount to the Grantee, Loan Agreement, Bank Guarantee, Power of Attorney, Mortgage Deed, Hypothecation Deed, Promissory Note and all or any other agreements, instruments, undertakings, deeds, writings and other documents executed or entered into, or to be executed or entered into by the Grantee and/or any other person (whether financing, security or otherwise) in relation to or pertaining to the transactions contemplated by or under this Agreement and/or the other Facility Agreements, as amended from time to time;
- (vi) “**Grant Amount**” shall mean the amount which the Corporation had agreed to provide to the Grantee for the implementation of the Project as specified in Schedule II.
- (vii) “**Project Monitor**” shall mean an authorized person appointed from time to time by the Corporation for the purpose of monitoring and inspection of the implementation of the Project;
- (viii) “**Law**” shall mean and include any statute, law, treaties, rule, regulation, ordinance, guideline, notification or any requirement, restriction, authorisation, order, directive, permit, judgment, decree having the force of law, or any interpretation of any of the foregoing by any Court or any Authority, whether in effect as on the date hereof or thereafter and shall include any re-enactment, substitution or amendment thereof that is applicable to any transactions contemplated herein and/or to any other Facility Agreements, and/or to any of the Parties to this Agreement and/or any Facility Agreements. The term ‘Law’ shall not include the Governing Law;
- (ix) “**Material Adverse Effect**” shall mean the effect or consequence of any event or circumstance which, in the opinion of the Corporation, is or is likely to be detrimental to or to adversely affect (i) the ability of the Grantee or any person to perform or comply with any of their respective obligations under this Agreement (ii) or endanger the Acquired Assets in any manner;
- (x) “**Project Approval**” shall mean the approval granted by the Corporation in response to the Project Proposal mentioning inter-alia the amount and categories under which the funds sought by the Grantee shall be disbursed, repayment schedule of the grant amount, conditions on utilization of funds etc.;

- (xi) **“Project Documents”** shall mean all the manuals, records, registers and all other documents maintained by Grantee in relation to the implementation and progress of the Project;
- (xii) **“Project Proposal”** shall mean the proposal submitted by the Grantee, a copy of which is annexed in Schedule III, seeking the grant of the funds required for implementation of the Project mentioning inter-alia the project cost, manner of scaling down of the project cost, stage-wise implementation of the Project, benefits from the Project etc.;
- (xiii) **“Purpose”/“Project”** shall mean the project(s) for which the Grant Amount has been availed by /granted to the Grantee from/by the Corporation and which is/are more particularly specified in Schedule II hereto.

II. INTERPRETATION

1.2 Interpretation:

- (i) In this Agreement, unless the contrary intention appears a reference to:

“agreement / document / undertaking / deed / instrument / indenture / writing” includes all amendments made thereto from time to time as also all schedules, annexures and appendices thereto;

“amendment” includes a supplement, modification, novation, replacement or re-enactment and **"amended"** is to be construed accordingly;

"authorisation" includes an authorisation, consent, clearance, approval, permission, resolution, licence, exemption, filing and registration;

the words **“drawals”**, **“draw”** and **“drawn”** shall include disbursements/drawings from time to time under the Assistance and/or issuance of guarantees;

“person” includes an individual, statutory corporation, body corporate, partnership, joint venture, association of persons, society, trust, juridical person, government, or any agency, department, authority or political subdivision thereof, international organisation, agency or authority whether or not having separate legal identity, and shall include their respective successors and assigns and in case of an individual shall include his legal representatives, administrators, executors and heirs and in case of a trust shall include the trustee or the trustees for the time being;

“Sub-clause, Clause or Schedule” shall denote a reference to such Sub-clause, Clause or Schedule as specified, of this Agreement;

- (ii) the singular includes the plural (and vice versa);
- (iii) the index and the headings in this Agreement are inserted for convenience of reference only and are to be ignored in construing and interpreting this Agreement;
- (iv) reference to the words “**include**” or “**including**” shall be construed without limitation;
- (v) reference to a gender shall include the female, male and neutral genders;
- (vi) all approvals, permissions, consents or acceptance required from the Corporation for any matter shall require the “**prior**”, “**written**” approval, permission, consent or acceptance of the Corporation;
- (vii) reference to a “**month**” is a reference to a period starting on one day in a calendar month and ending on the date immediately before the numerically corresponding day in the next calendar month, except that if there is no numerically corresponding day in the month in which that period ends, that period shall end on the last day in that calendar month;
- (viii) in the event of any disagreement or dispute between the terms and conditions of this Agreement and the sanction letter and any other agreement entered into between the Parties pursuant to this Agreement, the terms and conditions as per this Agreement shall prevail;
- (ix) in the event of any disagreement or dispute between the Corporation and Grantee regarding the materiality or reasonableness of any matter including of any event, occurrence, circumstance, change, fact, information, document, authorisation, proceeding, act, omission, claims, breach, default or otherwise, the opinion of the Corporation as to the materiality or reasonableness of any of the foregoing shall be final and binding on the Grantee.

III. SCOPE OF THE AGREEMENT

- 3.1
- (i) The Corporation hereby agrees to release the Grant Amount to the tune of Rs. [___] on the terms and conditions contained in this Agreement and the other Facility Agreements;
 - (ii) The Grant Amount released to the Grantee shall be used by the Grantee solely for the Purpose/Project;
 - (iii) The Grantee shall not apply and/or obtain further Assistance/loan/equity participation/grant in respect of the Purpose/Project without prior written

permission of the Corporation;

- (iv) The Grantee undertakes that the Grant Amount shall not be used for payment of any outstanding loan or debts, due to any other person;
- (v) Disbursements of the Grant Amount shall be made by the Corporation in [___] installments subject to fulfillment of pre-disbursement conditions by the Grantee and subject to the Grantee complying with the provisions of this Agreement and the disbursement procedure stipulated by the Grantee and the expenditure incurred being in consonance with the details mentioned herein/approved by the Corporation. The disbursements shall be credited by the Corporation into a separate bank account opened by the Grantee solely for grants disbursed under this Agreement. All the collection/ remittance/ other charges in relation to obtaining the Grant Amount will be borne by the Grantee;
- (vi) The Grantee shall provide the Corporation with at least 7 days (Seven Days) prior notice requesting for release of each installment of the Grant Amount;
- (vii) After release of the first installment of Grant Amount as per the disbursement schedule provided in Schedule IV of this Agreement, the Grantee shall start purchasing the equipments, machineries as per the utilization schedule provided in Schedule IV;
- (viii) Subsequent to the purchase of the equipments/machineries as stated above, the Grantee shall provide to the Corporation, documentary proof evidencing purchase of equipments/machineries along with the proof evidencing that the equipment so purchased are brand new and duly approved in writing by the Corporation or its authorized representatives or agents;
- (ix) The Corporation shall be entitled to appoint, from time to time, a nominee director on the board of directors of the Grantee. Such director is hereinafter referred to as “the Nominee Director”. Such Nominee Director shall not be required to hold qualification shares nor be liable to retire by rotation and shall be entitled to receive such reasonable remuneration, fees, commission and monies as may be approved by the Corporation. The presence of such Nominee Director shall be mandatory to form a valid quorum in the board meetings of Grantee and the resolutions placed before the board of the Grantee shall require an affirmative vote of the Nominee Director, unless such presence is waived by the Corporation in writing.
- (x) The Grantee agrees that the Corporation and/ or the ‘Project Monitor’ appointed by the Corporation from time to time shall have the right to

supervise/ oversee the implementation of the Project;

- (xii) The Grantee agrees that if as a result of review by the Corporation or 'Independent External Monitor', the Corporation is of the opinion that the Grantee has not implemented/nor is likely to implement the Project within the project cost as provided in Schedule I and/or in accordance with the financing plan and/or the Grantee has not purchased the Acquired Assets and/or the Grantee has not commenced/nor is likely to commence its activities as per the utilization schedule mentioned in Schedule IV hereto, the Corporation shall be entitled, at its sole discretion, to claim the Grant Amount already released with interest at [●]% commencing from the date of first release till the date of realization and/or cancel the subsequent disbursements in case the review is done prior to second disbursement, and/or cancel or terminate this Agreement. In addition to the above, the Corporation may at its sole discretion to initiate appropriate legal proceedings for the material breach.

3.2 Any interest accrued on the Grant Amount disbursed by the Corporation in the bank account of the Grantee where the grant amount was credited under this Agreement shall be accounted for and used solely for the purposes of the Project;

3.3 Any revenues earned by the Grantee from the Project activities shall be accounted for and used solely for the Project purposes.

IV. PRE-DISBURSEMENT CONDITIONS

4.1 The Grantee shall comply with the following conditions prior to the first disbursement of the Grant Amount:

- i. Execution of the Agreement and other Facility Agreements;
- ii. Opening of a separate bank account solely for the purpose of crediting the funds disbursed under this Agreement;
- iii. Submission and finalization of the utilization schedule;
- iv. Submission of IT clearance u/s 281 of Income Tax Act, 1961. The Grantee shall provide an auditor's certificate to this effect prior to disbursement, and provide the clearance from Income Tax Department within 21 days from date of first disbursement;
- v. Submission of annual plan and budget for the forthcoming financial year;

- vi. Submission of copies of Letter of Intents/ Memorandum of Understanding entered with the suppliers of machineries, equipments etc. and the concerned service providers for provisioning the services necessary for implementing the Project which imposes an obligation on the suppliers to provide the same;
- vii. Proving to the satisfaction of the Corporation that it has necessary and adequate managerial ability and experience to execute the Project.
- viii. Proving to the satisfaction of the Corporation that it has deposited their contribution as per the project proposal in a separate bank account as provided hereinabove under clause 4.1 (ii), as the case may be.

4.2 The Grantee shall comply with the following conditions prior to disbursements of the Grant Amount subsequent to the first disbursement under this Agreement:

- (i) Furnishing to the Corporation the quarterly utilization certificate duly audited by the statutory auditor along with copy of invoices and bank statements certifying that the earlier disbursement has been utilized for the Project in the manner, within the time frame and in accordance with the terms and conditions on which it was sanctioned.
- (ii) Providing an undertaking to the Corporation that all information/documents as may be required by the Corporation for releasing subsequent disbursement have been furnished and that all the terms and conditions of this Agreement on which the earlier disbursement was granted have been complied with.
- (iii) Obtaining suitable insurance on the Acquired Assets to the Corporation's satisfaction and providing to the Corporation documentary evidence that insurances have been duly obtained;
- (iv) Submission of annual plan and budget for the forthcoming financial year.

4.3 If any of the pre disbursement conditions as stated above are not fulfilled to the satisfaction of the Corporation (to the extent they are not waived by the Corporation in writing) or any such pre disbursement conditions shall cease to be capable of being satisfied (unless they have been waived by the Corporation in writing), this Agreement shall thereupon terminate and the Grantee shall not be entitled to receive the Grant Amount or to make any claim whatsoever on or from the Grantee.

V. GRANTEE'S REPRESENTATIONS AND WARRANTIES

- 5.1 Grantee hereby makes the following representations, warranties and confirmations; and states that the same are true, correct, valid and subsisting in every respect as on the date of this Agreement and shall remain true, correct, valid and subsisting in every respect as on the date of each disbursement by the Corporation hereunder, and as on each Due Date:-
- 5.1.1 It is duly incorporated and validly existing under the laws of India and has the corporate power to own its assets, conduct its business as presently conducted and to enter into and ensure performance of its obligations under this Agreement.
- 5.1.2 The execution of this Agreement and implementation of the Project is not in conflict/violation of it's Constitutional Documents.
- 5.1.3 All authorisations as are necessary for the execution of this Agreement and the other Facility Agreements for and on its behalf are in full force and effect.
- 5.1.4 All information provided by it to the Corporation, including any information provided in Project Proposal for the release of the Grant is true, bonafide and accurate in all material respects, is not misleading and does not omit any material fact, the omission of which would make any fact or statement therein misleading.
- 5.1.5 All acts, conditions and things required to be done, fulfilled or performed, and all authorizations required or essential, for the Project or for the entry and delivery of this Agreement and/or the other Facility Agreements, or for the performance of it's obligations there under, have been done, fulfilled, obtained, effected and performed and are in full force and effect and no such authorization has been, or is threatened to be revoked or cancelled;
- 5.1.6 It is in compliance in all respects with all laws and regulations affecting its assets, the Project and its business and operations;
- 5.1.7 The entry into, delivery and performance by it of the transactions contemplated by this Agreement and the other Facility Agreements do not and will not conflict with any Law, or with the provisions of any document which is binding on it or any of its assets;
- 5.1.8 It is not in default, or breach of any of the terms of this Agreement and/or any of the other Facility Agreements; and no Event of Default is subsisting, nor is there any event or circumstance subsisting which

constitutes, or is likely to constitute an Event of Default and/or a default under any document binding on the Grantee or any of its assets;

- 5.1.9 It is not in arrears of any public demands such as income tax, service tax, corporation tax or any other taxes or any other statutory dues payable to any Authority;
 - 5.1.10 It is not entitled to and will not claim immunity for itself or any of its assets from suit, execution, attachment or other legal process in any proceedings in relation to this Agreement and/or the other Facility Agreements;
 - 5.1.11 The choice of Governing Law and jurisdiction of the Courts as specified in this Agreement is irrevocable and legal, valid and binding on it under Indian Law;
 - 5.1.12 No litigation, arbitration, administrative or other proceedings are pending or threatened against it, its assets, which, if adversely determined, might have a Material Adverse Effect;
 - 5.1.13 It has not entered into any material agreement in connection with the Project that has not been disclosed in writing to the Corporation. All Project Documents and/or copies thereof have been provided to the Corporation. All such Project Documents /copies were, as on the date of delivery, true, accurate and up to date and no change/amendment whatsoever has occurred in the same after such date and till the date hereof;
 - 5.1.14 It duly owns or holds and/or applied for valid and subsisting licenses in respect of all trade names, trade marks, patents, designs and other intellectual property used or intended to be used for the Purpose and the same are duly registered in its name and have not become voidable.
- 5.2 The Grantee further warrants that it is in compliance with all applicable environmental laws, and has obtained all authorizations all other material consents, licenses, franchises, permits as may be necessary for the Project and/or for the carrying on of the it's business and the same are valid and subsisting and have not become voidable. There is no material claim and/or action initiated/pending against the Grantee in this connection.

VI. COVENANTS

- 6.1 During the subsistence of this Project and/or the Agreement, the Grantee hereby agrees to:
- (i) Promptly notify the Corporation;
 - (a) of any event or circumstance which would, or is likely to, result in any of the representations and warranties made by the Grantee hereunder becoming untrue, incorrect or misleading in any manner;
 - (b) of any circumstance or event which would, or is likely to interfere in/prevent/delay the proper implementation of the Project, or which may result in substantial overrun in the original estimate of costs, or of the happening of any labour strikes, lockouts, shut-downs, fires or other similar happenings likely to have a Material Adverse Effect, along with all details/documents as may be required by the Corporation;
 - (c) of any material loss or damage which the Grantee may suffer due to any event, circumstances or act of God;
 - (d) of any action or steps taken or legal proceedings started by or against Grantee in any court of law for its winding-up, dissolution, insolvency, administration or re-organisation or for the appointment of a receiver, administrator, administrative receiver, trustee or similar officer of the Grantee of any or all of its assets;
 - (e) of any litigation, arbitration or administrative proceedings initiated or threatened against the Grantee, in respect of a claim in excess of Rs. 10,00,000/- (Rupees Ten lakhs only);
 - (f) of any action or event pertaining to or having the effect of revocation, repudiation, denial or cancellation of any authorisation.
 - (ii) Deliver to the Corporation:
 - (a) its audited Balance Sheet and Profit and Loss Account by October 15 every year or within 15 days of completion of annual audit, whichever is earlier along with the reasons for variance with the budget;
 - (b) provisional quarterly financial results adopted by the board of Directors within 15 days;
 - (c) utilization certificates within 15 days of end of each quarter, duly audited by the statutory auditor along with copies of invoices and bank statements certifying that the disbursements have been utilized for the Project in the

manner, within the time frame and in accordance with the terms and conditions on which it was sanctioned;

- (d) copies of any notices received by the Grantee, pertaining to any termination or proposed termination of any material contracts, material defaults, demands or claims made against the Grantee or any of its assets, which could have a Material Adverse Effect;
 - (e) copies of all insurance policies obtained for insuring the Acquired Assets purchased by Grantee out of the disbursements or Grant Amount;
 - (f) regular progress/ review reports on half yearly basis, to the satisfaction of the Corporation, on any matter as may be required, as also any other reports and information as may be required by the Corporation from time to time;
 - (g) Quarterly records maintained by the Grantee outlining the project particulars as the case may be.
 - (h) copies of all additional documents and authorisations entered into or obtained by the Grantee, or any amendments thereto.
- (iii) Grantee shall:
- (a) ensure maintenance of their corporate existence and the right to carry on their business and operations as it is conducted in all applicable jurisdictions;
 - (b) insure and keep insured all Acquired Assets against all risks with the widest possible cover as per the best industry practice, including transit, erection, fire, riot, lightning, explosion, earthquake, strike, storm, tempest, flood, war, malicious damage, theft, terrorist attack, civil commotion and such other risks (including third party risks), and as required by the Corporation;
 - (c) ensure that all such insurance is in the name of the Grantee and the Corporation as loss payee, all such insurance is duly assigned / endorsed in favour of the Corporation and shall promptly deliver to the Corporation all original policies of insurance and renewals thereof /endorsements thereto;
 - (d) promptly pay all premium and all other amounts with regard to sub-clause (d) above. In the event any amounts payable in respect of such insurance is not paid, the Grantee agrees that the Corporation may, at its sole discretion, make such payments and/or get the assets insured and recover the necessary expenses from Grantee;

- (e) ensure that the Grantee and/or any other person does not do or omit to do or be done or permit or suffer any act, deed or thing which might or could prejudicially vitiate or affect any such insurance;
- (f) agree that the Corporation may at its option decide that any insurance proceeds received under the said insurance shall be applied at the option of the Corporation in making good the damage;
- (g) obtain and maintain all franchises and authorisations necessary for the conduct of their business and operations in such jurisdictions, and for the performance of its obligations hereunder and/or in relation to the Acquired Assets and its utilisation;
- (h) develop, maintain and implement all the Acquired Assets in accordance with prudent industry standards and accepted industry practices and comply with all of their obligations under applicable law and other contractual documents in relation to the asset.
- (i) promptly inform the Corporation if the auditors of the Grantee cease to act as such, along with the reasons therefore, and appoint another firm as auditors with 15 working days prior notice to the Corporation.
- (j) in accordance with the provisions of the applicable laws, make such amendments/alterations to its constitutional documents as may be required by the Corporation to give effect to any of the provisions herein and/or to safeguard its interests hereunder.

6.2 The Grantee, without the approval of the Corporation, which approval shall not be unreasonably withheld or as otherwise permitted hereunder shall:

- (a) amend/alter its Constitutional Documents in any manner that would or is likely to affect the performance of its obligations hereunder and/or any rights of the Corporation;
- (b) apply and/or obtain further Grant participation in respect of the Purpose/Project without prior written permission of the Corporation ;
- (c) the Grantee shall ensure that all of the Grant Amount is prudently managed and shall take necessary action to ensure that Grant amount is used solely for the purposes of the Project and consistent with the terms of this Agreement;
- (d) undertake or permit any merger, de-merger, consolidation, reorganisation, scheme or arrangement or compromise with its creditors or shareholders or effect any scheme of amalgamation or reconstruction;

VII. EVENTS/CONSEQUENCES OF DEFAULT

- 7.1 On the occurrence of any of the events specified below, the Corporation shall be entitled, without prejudice to any other right or remedy which the Corporation may have under this Agreement or otherwise in law, to take the steps specified herein below, without any notice, except as specified herein, at any time after the occurrence of such event:
- (i) If the Grantee fails, omits or neglects to observe or perform or commits or allows to be committed a breach of any of the terms, conditions, provisions or stipulations of this Agreement on its part to be observed and performed;
 - (ii) Any information given by the Grantee in the Project Proposal, in the reports and other information furnished by or on behalf of the Grantee is incorrect or misleading, or a representation, warranty or statement made or deemed to be made hereunder or in connection with any other Facility Agreements by the Grantee or any other person, is incorrect or misleading in any respect;
 - (iii) If the Grantee voluntarily suspends, causes or allows the suspension of all or any substantial portion of its operations and/or business, or abandons the Project, or any or a substantial part of its assets or business are damaged or destroyed, or any of the permits, certificates, licenses, rights or privileges required for the conduct of the business and operations of the Grantee shall be revoked, cancelled or otherwise terminated, or the free and continued use and exercise thereof curtailed or prevented, so as to have a Material Adverse Effect;
 - (iv) If the Grantee takes, causes to be taken or allows any action to be taken or if any action is taken by any person/Authority for its liquidation/insolvency/ bankruptcy, or if a Receiver is appointed of the whole or part of the assets, properties or undertaking of the Grantee; or if the Grantee compounds with or enters into any composition with its creditors;
- 7.2 On the happening of any of the Events of Default, the Corporation shall give a written notice to Grantee to rectify the default within a period of 30 days. In case the default is not rectified within a period of 30 days then the Corporation shall be entitled to initiate appropriate legal proceedings to recover the Grant Amount along with damages, interests, expenses, if any.
- 7.3 If any Event of Default has occurred or is continuing or if the Grantee has not
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availed of or drawn from the Grant Amount by the date referred to in this Agreement or such later date as may be permitted by the Corporation, then, in such event, the Corporation may, by notice in writing to the Grantee:

- (i) suspend further access by the Grantee to the use of the Grant Amount under this Agreement. The right of the Grantee to avail of or make withdrawals from the Grant Amount shall continue to remain suspended until further notice from the Corporation in this regard; or
- (ii) to freeze the bank accounts and initiate appropriate proceedings for realizing the money lying in the accounts of the Borrower; or
- (iii) terminate the right of the Grantee to avail of or make withdrawals from the Grant Amount. Upon such notice, the un-utilised amount of the Grant Amount shall stand cancelled.

7.4 Notwithstanding any suspension or termination of this Agreement as specified hereinabove, all the provisions of this Agreement for the benefit or protection of the Corporation and its interests shall continue to remain in full force and effect as specifically provided in this Agreement.

VIII. TERM AND TERMINATION

- 8.1 This Agreement shall be effective from the date of execution and shall continue till [___] years unless terminated in accordance with the provisions of this Agreement.
- 8.2 The Corporation may terminate or suspend this Agreement in whole or in part for any material breach committed by the Grantee under this Agreement. Any portion of this Agreement that is not terminated or suspended shall remain in force and effect.

IX. FORCE MAJEURE

- 9.1 *Force majeure* shall mean any unforeseeable exceptional situation or event beyond the parties' control which prevents either of them or their agents/authorized representatives from fulfilling any of their obligations under this Agreement, was not attributable to error or negligence on their part, and proves insurmountable in spite of all due diligence.

- 9.2 Any of the Corporation or Grantee faced with *force majeure* shall inform the other party without delay by registered letter with advice of delivery or equivalent, stating the nature, probable duration and foreseeable effects.
- 9.3 Neither Corporation nor Grantee shall be held in breach of their obligations under the Agreement if they are prevented from fulfilling them by *force majeure*. Each of the Corporation or Grantee shall make every effort to mitigate any losses suffered due to *force majeure*. If Corporation or Grantee fails to make necessary efforts by which the losses caused due to force majeure can be mitigated then the other party shall have the right to terminate this Agreement.

X. ASSIGNMENT

- 10.1 Neither Corporation nor Grantee shall be entitled to assign any of its rights, benefits or obligations under this Agreement and/or any other Facility Agreements without mutual consents of the Parties;
- 10.2 Save as aforesaid, this Agreement shall be binding upon and shall ensure for the benefit of the Corporation and its successors in title and assigns and the Grantee and its successors in title.

XI. LIABILITY

- 11.1 The Grantee and [____] (Parent Company/ Co-Applicant which has submitted the Proposal with the Grantee) shall be jointly and severally liable to comply and fulfill all the obligations under this Agreement.

XII. GENERAL

- 12.1 Any notice or request given or made hereunder shall be in writing and the same shall be deemed to have been duly given or made if sent by Registered mail acknowledgment due, or facsimile to the Grantee and to the Corporation, as the case may be, at their respective addresses as specified herein below:

Corporation:

Registered Office: AND

Corporate Office:

Kind Attn:

Fax:

Grantee:

Registered Office:

Kind Attn:

Fax:

- 12.2 Any such notice shall be deemed to have been served on the receiving party (a) if sent by letter, when delivered personally or if dispatched by post, when recall of the letter is outside the control of the sender; and (b) if sent by facsimile, when sent (on receipt of a confirmation to the correct facsimile number).

Provided, however, that no notice or communication to the Corporation shall be effective unless actually received by the Corporation.

Time shall be the essence of this Agreement in so far as it relates to the observance or performance by the Grantee of all or any of its obligations hereunder.

- 12.3 The failure of the Corporation to insist upon the punctual performance of any of the obligations of the Grantee hereunder, or the failure of the Corporation to exercise any right or remedy available to the Corporation under this Agreement or any failure of the Corporation to require payment from or by the Grantee, when due of any sum owing hereunder, or any extension of credit or any forbearance on the part of the Corporation shall not constitute a waiver by the Corporation of any subsequent or continuing default by the Grantee hereunder nor shall the same prejudice, affect or restrict the rights and powers of the Corporation hereunder. All demands for payments and performance and all notices of non-payment or other default hereunder are hereby waived by the Grantee.
- 12.4 The Grantee shall pay to the Corporation upon demand the stamp duty and registration charges if any, payable on this Agreement and its duplicate and all Facility Agreements, deeds, writings and documents executed by and between the parties hereto in respect of the Acquired Assets.

- 12.5 This Agreement represents the entire Agreement in respect of the Grant Amount between the parties hereto on the subject matter hereof and shall be capable of variation in writing by a note of amendment (“Note of Amendment”) signed by and on behalf of the Corporation and the Grantee.
- 12.6 Dispute Resolution
- (i) All or any dispute, controversy, claim or disagreement arising out of or touching upon or in relation to the terms of this Agreement or its termination, breach, invalidity, including the interpretation and validity thereof and the respective rights and obligations of the Parties hereof, that cannot be amicably resolved by mutual discussion within thirty (30) calendar days, shall be settled by final and binding arbitration in accordance with the Rules of Arbitration of the Indian Council of Arbitration (ICA) which rules are deemed to be incorporated by reference in this clause and the Award made in pursuance thereof shall be binding on the parties;
 - (ii) The place of arbitration shall be New Delhi. The arbitration proceedings shall be conducted in the English language.
 - (iii) During the pendency of any dispute resolution exercise whether by negotiations or arbitration, the Parties shall be bound by the terms of this Agreement and shall continue to perform their respective obligations not under dispute under this Agreement.
- 12.7 This Agreement shall be governed by and construed in accordance with the laws of India (“**Governing Law**”).
- 12.8 Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of prohibition or unenforceability but that shall not invalidate the remaining provisions of this Agreement or affect such provision in any other jurisdiction.
- 12.9 All Schedules hereto shall be deemed to form an integral part of this Agreement and in the event of any inconsistency or repugnancy between the contents of this Agreement and/or any Schedule hereto, the latter shall prevail to all intents and purposes.
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IN WITNESS THEREOF THE GRANTEE IN ITS FREE VOLITION AND FULL UNDERSTANDING WITH THE INTENT TO LEGALLY BIND ITSELF TO THIS AGREEMENT EXECUTES THIS AGREEMENT THROUGH ITS DULY AUTHORISED REPRESENTATIVE ON THE DAY, MONTH AND YEAR FIRST HEREINABOVE WRITTEN:

For the Corporation

For the Grantee

WITNESSES:-

Witness 1: _____

Witness 2: _____

SCHEDULE I

PROJECT COST:

SCHEDULE II

PURPOSE/PROJECT DESCRIPTION

SCHEDULE III

COPY OF PROJECT PROPOSAL

SCHEDULE IV

GENERAL TERMS OF THE GRANT AMOUNT

1. Details of the Grant Amount

Grant Amount:[●]

2. Disbursement Schedule:

[●]

Name of the Bank:

Bank Routing Number:

Bank Account Name:

Bank Account Number (including bank codes):

Address of Bank:

3. Utilization Schedule

4. Legal, professional and other out-of-pocket expenses

At actuals to the Grantee's account subject to a maximum of Rupees [_____]