

## **LOAN AGREEMENT**

THIS LOAN AGREEMENT made at New Delhi on the \_\_\_\_ day of \_\_\_\_\_, 2011 between **NATIONAL SKILL DEVELOPMENT CORPORATION** a non-profit company, registered under the Companies Act, 1956 and licensed under section 25 of the Companies Act, 1956 having its registered office at D-4, Clarion Collection, Shaheed Jeet Singh Marg, New Delhi-110016, India (hereinafter referred to as "**Lender/NSDC**" which expression shall, unless it be repugnant to the subject or context thereof, include its successors and permitted assigns) of the one part **AND** the **Borrower** whose name and address are stated in Article XII, hereinafter called "the **BORROWER**" (which expression shall unless the context otherwise requires, include its successor and permitted assigns) on the Other part:

NSDC and the Borrower are sometimes hereinafter individually referred to as a "**Party**", and collectively, as "**Parties**".

**WHEREAS** relying upon the representations and warranties and other information including the Project Proposal as provided by the Borrower, NSDC has agreed to provide Assistance to the Borrower on the following terms and conditions enabling the Borrower to implement the Project.

**NOW IT IS HEREBY AGREED AS UNDER:**

### **ARTICLE 1 – DEFINITIONS**

1.1 In this Agreement, unless the context otherwise requires:

- (i) "**Acquired Assets**" shall mean the asset(s) that are acquired by the Borrower out of the Assistance including 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) **“Agreement”** shall refer to this Loan Agreement including all the Schedules and annexures attached with it;
  - (iii) **“Applicable Interest Rate(s)”** shall mean the rate of interest as specified in Schedule II;
  - (iv) **“Authority”** shall mean and include any applicable legislative body, regulatory or administrative authority, agency or commission, or any court, board, tribunal, or judicial or quasi-judicial or arbitral body having authority of law;
  - (v) **“Business Day”** shall mean a day on which the office of the Lender as described in this Agreement and a day on which schedule commercial banks are open for normal business transactions;
  - (vi) **“Charter Documents”** shall mean the Memorandum and Articles of Association of the Borrower;
  - (vii) **“Default Rate”** shall mean the rate of interest specified as the Default Rate in Schedule II hereto;
  - (viii) **“Due Date”** shall mean, in respect of a Repayment Instalment or an interest payment, the date on which the same falls due as stipulated in Schedule II hereto;
  - (ix) **“Event of Default”** shall mean any or all of the events specified in Article V hereof;
  - (x) **“Facility Agreements/Documents”** shall mean and include this Agreement, Memorandum of Approval and all other agreements, instruments, undertakings, deeds and other documents executed or entered into, or to be executed or entered into by the Borrower with the Lender in connection with the Project;
  - (xi) **“Financial Management and Procurement Manual”** shall mean the Manual adopted by the Board of NSDC which lays down the procedure for disbursement of Assistance by NSDC;
  - (xii) **“Indebtedness”** means any indebtedness whatsoever of the Borrower at any time for or in respect of any monies due under this Agreement or any of the Facility Agreements;
  - (xiii) **“Interest Payment Date(s)”** shall mean the date(s) for payment of interest as specified in Schedule II hereto;
  - (xiv) **“Material Adverse Effect”** shall mean the effect or consequence of any event which, in the reasonable opinion of the Lender, is or is likely to adversely affect the ability of the Borrower in implementation of the Project under this Agreement and/or the other Facility Agreements;
  - (xv) **“Memorandum of Approval”** shall mean the approval granted by NSDC in response to the Project Proposal as per the Financial Management and Procurement Manual of NSDC;
  - (xvi) **“Project Documents”** shall mean all the manuals, records, registers and all other documents maintained and required to be maintained by Borrower in relation to the implementation and progress of the Project;

- (xvii) “**Project Monitor**” shall mean an authorized person appointed by NSDC in terms of the Financial Management and Procurement Manual of NSDC;
- (xviii) “**Project**” shall mean and include the specified activities for which the Assistance is sought by the Borrower and is particularly specified in Schedule IV.
- (xix) “**Project Proposal**” shall mean the proposal for a project submitted by the Borrower seeking financial assistance from NSDC and annexed herewith as Schedule IV;
- (xx) “**Repayment Installment (s)**” shall mean installment(s) of the Assistance to be repaid together with interest, taxes etc., as applicable, on the Due Date(s) as specified in Schedule II;
- (xxi) “**Repayment Schedule**” shall mean the repayment schedule set out in Schedule II hereto;
- (xxii) “**Schedule(s)**” means the Schedule(s) to this Agreement and which forms an integral part of this Agreement.
- (xxiii) “**Taxes**” shall mean and include all present and future taxes, levies, imposts, duties or charges of a similar nature whatsoever imposed or exempted by any Authority;
- (xxiv) “**Term**” shall have the meaning ascribed to it under Article VI;

## **ARTICLE II – GENRAL TERMS OF ASSISTANCE**

- 2.1 (i) The Lender hereby agrees to lend to the Borrower and the Borrower hereby agrees to avail the Assistance on the terms and conditions contained in this Agreement and the other Facility Agreements.
- (ii) The Assistance provided to the Borrower and any interest accrued on the Assistance shall be used by the Borrower solely for the Project and its implementation.
- (iii) The Borrower shall not obtain any further Assistance/loan/equity participation in respect of the Project without prior written permission of NSDC;
- (iv) The Lender shall have a joint right along with the Borrower to use the content and any intellectual property rights created and developed under the Project during the term of this Agreement, on revenue sharing basis and/or any other arrangement as mutually agreed between the Parties;
- (v) The Borrower shall utilize and repay the Assistance alongwith interest and default interest, if any (“**Secured Obligations**”) in the manner as agreed and set out in Schedule II;
- (vi) The Lender shall, at all times, have the complete rights to share the credit information relating to the Borrower, as it may deem appropriate, with Credit Information Bureau India Limited (“**CIBIL**”) or any other institution as approved by Reserve Bank of India (“**RBI**”) from time to time.
- (vii) In an event of any failure or default by the Borrower in repayment of the Secured Obligations including that of the interest, by or on due date, the Lender

shall, have an unhindered and unqualified right to disclose and/or publish the name of the Borrower and/or its directors/ partners/proprietors as defaulters in such manner and through such medium as the Lender or CIBIL in their absolute discretion, may think fit.

- (viii) The Borrower shall comply with the respective pre-disbursement conditions and the special terms and conditions of Assistance as set out in Schedule I;
- (ix) The Borrower shall comply with the provisions of the Financial Management and Procurement Manual of NSDC including that of inspection and monitoring by the 'Project Monitor' without any demur or protest;
- (x) The Borrower shall pay all expenses including stamp duty, relevant registration and filing charges in connection with this Agreement and / or any other Facility Agreements.
- (xi) All monies due and payable by the Borrower to the Lender under this Agreement shall be paid either by cheque or by demand draft, drawn in favour of the Lender on a scheduled bank having their branch at Delhi and all such payments shall be subject to realization.
- (xii) Any payments due and payable under or pursuant to this Agreement and/or any other Facility Agreements and made by the Borrower shall be appropriated towards such dues in the following order viz: (a) Interest on costs, charges and other expenses;(b) Costs, charges and other expenses; (c) Default Interest on arrears; (d) Interest on the Assistance including Additional Interest, if any (e) Repayment Instalments; Provided in exceptional circumstances, for reasons to be recorded in writing, the Lender may, deviate from the aforesaid order.
- (xiii) The security hereunder created or created under any Facility Agreements in terms of this Agreement shall be and remain a continuing security to the Lender.
- (xiv) The Borrower shall arrange submission of monthly, quarterly and annual reports in time & as per the format agreed by the Borrower with the Lender. In case of any likely delays or deviations, the Borrower shall inform the Lender before the scheduled submission time alongwith a revised date of submission.
- (xv) In order to avoid duplication of work to have real time data and also to have a seamless system, the Borrower would use and utilize the solution as used or recommended by NSDC.

### **ARTICLE III - BORROWER'S REPRESENTATIONS AND WARRANTIES**

3.1 The Borrower hereby represent and warrant to the Lender:-

- (i) That the information given in the Project Proposal and any prior or subsequent information or explanation furnished by the Borrower to the Lender are true, complete and accurate in all respects and that no facts or information necessary to be furnished by the Borrower has been omitted to be stated in order to induce the Lender to provide the Assistance.
- (ii) That the Borrower is duly incorporated and validly existing under the Laws of India and the execution of this Agreement and implementation of the Project is

- not in conflict/violation of its charter documents including the Articles of Association and Memorandum of Association and/or any other charter document.
- (iii) That it is in compliance of all applicable laws and possesses all statutory approvals and compliances for the execution of this Agreement and the other Facility Agreements and for implementation of the Project.
  - (iv) The Borrower 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;
  - (v) No litigation, arbitration, administrative or other proceedings are pending or threatened against the Borrower or its assets.
  - (vi) The Borrower has not entered into any material agreement in connection with the Project that has not been disclosed in writing to the Lender.
  - (vii) The Borrower undertakes to provide and furnish to the Lender, additional security acceptable to the satisfaction of the Lender to bridge deficiency, if any.
  - (viii) That the Borrower does not violate any covenants, conditions and stipulations of any of its existing agreement and shall at all times abide by all the terms and conditions of this Agreement and other Facility Agreement(s).

#### **ARTICLE IV -- BORROWER'S COVENANTS**

- 4.1 During the subsistence of this Agreement and till the Assistance and Secured Obligations are fully paid by the Borrower, the Borrower shall:
- (i) Promptly notify the Lender:
    - a. of any event or circumstance which would affect the status of the Acquired Assets;
    - b. of any circumstance or event which would, or is likely to interfere in/prevent/delay the proper implementation of the Project, or other similar happenings likely to have a Material Adverse Effect;
    - c. of any litigation, arbitration or administrative proceedings initiated or threatened against it or the secured assets or Acquired Assets, in respect of a claim in excess of Rs. 10,00,000/- ( Rupees Ten lakhs only);
  - (ii) Deliver to the Lender:
    - a. its audited Balance Sheet and Profit and Loss Account by October 30 every year or within 15 days of adoption of accounts in the Annual General Meeting of the Company, whichever is earlier;
    - b. quarterly utilization certificates commencing from the first drawdown certifying that the disbursements have been utilized for the Project for which Assistance was sanctioned;
    - c. copies of all insurance policies obtained for insuring the Acquired Assets purchased by Borrower out of the Assistance during the Term of the Agreement;

(iii) The Borrower 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. ensure that the obligations undertaken by it under the Project Proposal shall be duly complied with;
- c. ensure and undertake that at any point in time in implementation of the Project, if there is any shortfall in terms of any of the resources, the Borrower shall promptly bridge that shortfall and implement the Project to achieve the milestones/targets.
- d. provide a joint right to the Lender to use the content and any intellectual property rights created and developed under the Project, on revenue sharing basis as mutually agreed between the Parties;
- e. ensure that adequate market linkages are established to secure/create employability of the trainees upon completion of the training;
- f. insure and keep insured at all times, all the Acquired Assets against all risks.
- g. promptly inform the Lender if the auditors of the Borrower ceases to act as such, along with the reasons therefore, and appoint another firm as auditors with 15 working days prior notice to the Lender.
- h. make such amendments/alterations to its Charter Documents as may be permitted under the applicable laws and as may be required by the Lender to give effect to any of the provisions herein and/or in any of the other Facility Agreements and/or to safeguard its interests hereunder and/or in relation to the other Facility Agreements.
- i. in case of caution listing/listing of the Borrower or any of its director(s) or promoter(s) in the list of defaulters by CIBIL or any other Government Agency, the Borrower shall immediately disclose the said fact to NSDC and shall further immediately take all necessary rectification steps.

4.2 During the subsistence of this Agreement and till the Secured Obligations hereof are duly paid by the Borrower, the Borrower shall not, without the written approval of the Lender which approval shall not be unreasonably withheld, or as otherwise permitted hereunder:

- (i) enter into any contract or arrangement whereby the Company is managed by some other person;
- (ii) provide any loans/ financial assistance including by way of guarantees, indemnities or other assurances of a similar nature. This provision shall not apply to loans and advances made to employees or contractors/suppliers in the ordinary course of business;
- (iii) pay any commission to its promoters, directors, managers or other persons for furnishing guarantees, counter guarantees or indemnities or for

undertaking any other liability in connection with any obligation undertaken for or by the Borrower;

- (iv) declare or pay any dividend/make any distribution of profits or otherwise to any person, so long as any default has occurred / is subsisting under this Agreement and/or any of the other Facility Agreements;
- (v) alter the share capital or change its capital structure in any manner whatsoever;
- (vi) permit any disposal /transfer of shares in the Borrower's share capital by any person as specified by the Lender. The Borrower shall provide undertakings from such persons in this regard as may be required by the Lender;
- (vii) amend/alter its Charter Documents in any manner that would or is likely to affect the performance of its obligations hereunder and/or any rights of the Lender;
- (viii) 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;

4.3 For the purposes of Clause 4.2 above, in case the Lender fails to provide its approval or disapproval within the stipulated period of 45 (forty five) working days, then it would be construed as deemed approval by Lender.

#### **ARTICLE V - EVENTS/CONSEQUENCES OF DEFAULT**

5.1 If one or more of the events specified in this Article (Events of Default) shall have happened, then the Lender may by a written notice to the Borrower, declare that the Assistance and the Secured Obligations have become payable forthwith by the Borrower to the Lender and upon such declaration, the same shall become due and payable forthwith and the security created under Facility Agreements or any other agreement in favour of the Lender for the Assistance as well as the Secured Obligations shall become enforceable.

- (i) If the Borrower fails to pay any monies payable as per Schedule II
- (ii) If the Borrower fails, defaults, 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 and/or Facility Agreement(s);
- (iii) Any information given by the Borrower in the Project Proposal is incorrect or misleading, or a representation, warranty, undertaking or statement made hereunder or in connection with any other Facility Agreements by the Borrower is incorrect or misleading in any respect;
- (iv) Any insurance contracted or taken by the Borrower is not, or ceases to be, in full force and effect.
- (v) If the Borrower is unable to pay its debts within the meaning of Section 434 of the Companies Act, 1956 or a resolution for winding-up of the

Borrower is passed or any petition for its winding up is filed or any order for winding-up is made against the Borrower or if a liquidator is appointed in respect of any property or estate of the Borrower.

- (vi) Any person acting singularly or with any other person (either directly or indirectly) acquires control of the Borrower either directly or indirectly, without the approval of the Lender;

5.2 On the happening of any of the Events of Default, the Lender shall give a written notice to Borrower to rectify the default within a period of 45 days. In case the default is not rectified within a period of 45 days then the Lender shall have the right, by a notice in writing to the Borrower, without prejudice to the rights and claims under this Agreement to terminate this Agreement and/or declare the principal of and all interest on and all other amounts in respect of the Assistance to become due and payable forthwith and/or the security created in terms of this Agreement and /or the other Facility Agreements to become enforceable. The Lender or such other person in favour of whom such security or any part thereof is created shall have inter alia, the following rights (anything in this Agreement or the Facility Agreements to the contrary notwithstanding) namely:

- (i) to enforce any/all security(ies), guarantees etc as provided to the Lender in terms and in the manner as provided under the Facility Agreements; and/or
- (ii) to exercise and enforce all rights and remedies available to the Lender under this Agreement and/or the other Facility Agreements;
- (iii) the Lender shall, without prejudice to any of the rights and remedies specified hereinabove, be entitled to review the management set-up or organization of the Borrower and to require the Borrower to restructure it as may be considered necessary by the Lender, including the formation of management committees with such powers and functions as may be considered suitable by the Lender.
- (iv) the Lender shall, have an unhindered and unqualified right to disclose and/or publish the name of the Borrower and/or its directors/ partners/proprietors as defaulters in such manner and through such medium as the Lender or CIBIL in their absolute discretion, may think fit.

5.3 All expenses incurred by the Lender after an Event of Default occurs, including expense in connection with the preservation of, or enforcement action against the hypothecated assets (whether then or thereafter existing); and/or collection of amounts due under this Agreement and/or the other Facility Agreements, shall be to the Borrowers' account and payable by the Borrower.

5.4 If any Event of Default has occurred or is continuing, the Lender may, by notice in writing to the Borrower terminate or suspend the Agreement and/or take such necessary action as may deem fit.

5.5 Notwithstanding any suspension or termination of this Agreement as specified hereinabove, all the provisions of this Agreement or Facility Agreement(s) for the

benefit or protection of the Lender and its interests shall continue to remain in full force and effect as specifically provided in this Agreement.

#### **ARTICLE VI - TERM AND TERMINATION**

- 6.1 This Agreement shall be effective from the date of execution and shall continue till the Assistance and the Secured Obligations are fully paid off by the Borrower unless terminated in accordance with the provisions of this Agreement (“**Term**”).
- 6.2 The Lender may terminate or suspend this Agreement in whole or in part for any material breach committed by the Borrower under this Agreement or under Article V hereinabove.

#### **ARTICLE VII - ASSIGNMENT**

- 7.1 The obligations herein shall bind not only the Borrower but its executors, legal representatives, administrators and/or as the case may be its successors. The Borrower shall not be entitled to transfer or assign any of its obligations herein without the written approval of the Lender. The Lender may however transfer or assign any of its rights or obligations under this Agreement and/or Facility Agreement at its sole discretion. Upon such assignment, the Borrower shall fulfill and perform all its obligations to such assignee, in accordance with the terms and conditions of this Agreement, as if such assignee were the Lender herein and shall execute all documents required in this behalf by the Lender.

#### **ARTICLE VIII - NOTICE**

- 8.1 Any notice or request to be given or made by a party to the other shall be in writing and writing and posted, delivered personally or sent by courier, registered or certified mail or facsimile transmission. Such notice or request shall be deemed to have been duly received by the party to whom it is addressed if it is given or made at such party’s address specified below:

**Lender:** **National Skill Development Corporation**  
Registered Office: D – 4, Clarion Collection, Shaheed Jeet Singh Marg,  
New Delhi – 110016  
Kind Attn: The CEO and Managing Director, NSDC  
Fax: +91 11 4656 0417

**Borrower:** The address of the Borrower as provided in Article XII of this Loan Agreement.

**ARTICLE IX - INDEMNITY**

- 9.1 The Borrower shall indemnify the Lender:
- (i) against loss of or damage to the secured assets or Acquired Assets or any part thereof from whatever cause arising and whether or not such loss or damage results from the negligence or cause beyond the control of the Borrower;
  - (ii) against all claims and demands made upon the Lender by reason of any loss, death, injury or damage suffered by any person from the operation of the secured assets or Acquired Assets and the use thereof;
  - (iii) The Borrower agrees to comply with all laws and regulations relating to the transportation, possession, operation and use of the Acquired Assets and assumes all liabilities arising from or pertaining to the transportation, possession, operating or use of the Acquired Assets. The Borrower does hereby indemnify and agrees to keep indemnified and hold safe and harmless the Lender, its Directors, employees, agents against all such liabilities and also against loss or damage to the secured assets or Acquired Assets.
  - (iv) The liability and responsibility as also the indemnity/ies herein contained of the Borrower arising from anything done or any act of commission or omission occurring prior to the termination or earlier determination of this Agreement shall survive in so far as they pertain to events/occurrences that transpired during the period of this Agreement and be enforceable and carried out notwithstanding any such termination and/or sooner determination.

**ARTICLE X - GOVERNING LAW, DISPUTE RESOLUTION & JURISDICTION**

- 10.1 This Agreement shall be governed by and construed in accordance with the laws of India.
- 10.2 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 as per the provisions of the Arbitration and Conciliation Act, 1996 which shall be final and binding arbitration. The proceedings of the arbitration shall be 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.

10.3 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.

**ARTICLE XI-MISCELLANEOUS**

11.1 The Schedules attached herewith along with the Annexures and the Facility Agreement(s) shall be deemed to be part of this Agreement as if the provisions thereof were set out herein in extension. Any amendment(s), modification(s), revision(s) to the Agreement, Facility Agreement(s), Schedule(s), thereto and other document(s) shall be in writing between the Parties which shall form an integral part of this Agreement without the need to enter into any supplemental agreement.

**ARTICLE XII - BORROWER'S DETAILS**

- 12.1 Name of the Borrower: \_\_\_\_\_.
- 12.2 Registered Address of the Borrower: \_\_\_\_\_.
- 12.3 Authorised Representative of the Borrower: \_\_\_\_\_.

**IN WITNESS THEREOF THE PARTIES IN THEIR FREE VOLITION AND FULL UNDERSTANDING WITH THE INTENT TO LEGALLY BIND THEMSELVES TO THIS AGREEMENT EXECUTE THIS AGREEMENT THROUGH THEIR DULY AUTHORISED PERSONNELS:-**

Signed and delivered for and on behalf of <b>NATIONAL SKILL DEVELOPMENT CORPORATION</b> Name Mr. Dilip Chenoy, CEO & Managing Director Signatures _____ Date _____	Witnessed by: Name _____ Address _____ Signatures _____
Signed and delivered for and on behalf of the <b>BORROWER</b> abovenamed Name – Mr Kunal R Sachdev, Managing Director Signatures _____ Date _____	Witnessed by: Name _____ Address _____ Signatures _____

## SCHEDULE I

### **PRE-DISBURSEMENT CONDITIONS AND SPECIAL TERMS AND CONDITIONS OF ASSISTANCE:-**

#### **A. PRE-DISBURSEMENT CONDITIONS:**

The Borrower shall comply with the following conditions prior to the first disbursement under the Assistance:

- (i) Execution of the Loan Agreement and other Facility Agreements, if any;
- (ii) Opening / designating a separate bank account solely for the purpose of receiving the Assistance under this Agreement and communication of such Bank details to the Lender in writing;
- (iii) Submission of documents such as capital infusion certificate, Form 2 filed with Registrar of Companies (ROC) along with receipt, certified true copy of the Board resolution allotting shares to the shareholders etc., to the complete satisfaction of NSDC, thereby evidencing infusion of funds to the tune Rs. \_\_\_\_\_ (Rupees \_\_\_\_\_ only) by the promoters of the Borrower;
- (iv) Submission of documentary proof filings with the Registrar of Companies to effect alteration of Articles of Association to facilitate the appointment of Lender's Nominee Director;
- (v) Furnishing of Non-Disposal Undertaking by each of the promoters thereby undertaking to continue to hold majority stake in the Borrower till repayment of the Secured Obligations;
- (vi) Furnishing an undertaking that use of all assets, human resource, facilities/resources of the Borrower shall be exclusively used for the implementation of the Project only and if otherwise, such transactions should be on arm's length basis and as per terms not unfavourable to the Project;
- (vii) Submission of an undertaking that the Assistance provided by NSDC shall be senior to all other debt exposures of the Borrower with respect to the Project and that the same shall not be utilised for settling any other present or future loan;
- (viii) Furnishing of an undertaking-cum-declaration by the Borrower that the Assistance by the Lender as detailed under the disbursement schedule hereunder shall be linked to milestones to be achieved by the Borrower.

**(ix) TO ADD PROJECT SPECIFIC PDCs.**

The Borrower shall comply with the following conditions prior to the Second and **subsequent disbursement(s)** under the Assistance:

- (i) Furnishing to the Lender the utilization certificate duly certified by the Chartered Accountant 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) Submission of documents such as capital infusion certificate evidencing infusion of funds by the promoters of the Borrower in the Borrower company to the tune Rs. \_\_\_\_\_ (Rupees \_\_\_\_\_ only);
- (iii) Furnishing an undertaking to the Lender that all the terms and conditions of the Loan Agreement on which the earlier disbursement was granted have been complied with and that the Borrower is not in default of any provision of the Loan Agreement and other Facility Agreement(s);
- (iv) Submission of documentary proof to the satisfaction of NSDC, evidencing that the Borrower has achieved the milestones as undertaken by the Borrower for year 1;
- (v) **TO ADD PROJECT SPECIFIC PDCs.**

**B. SPECIAL CONDITIONS:**

The Borrower hereby agrees to the following terms and conditions for availing the Assistance under the Loan Agreement and/or Facility Agreement(s):

- (i) Execution of the Facility Agreement(s);
- (ii) The Secured Obligations shall inter-alia be secured by submission of Corporate/Personal Guarantee, by creation of senior charge on the Acquired Assets and by creation of senior charge on the Project cash flows in favour of the Lender, in accordance with the terms of Hypothecation Deed. The Borrower also undertakes that all Project cash flows shall be deposited in the separate bank designated or opened for the purposes of receiving funds from NSDC, details of which are mentioned under schedule II point 2. The Borrower undertakes to provide the Borrowers Power of Attorney in favour of Lender giving the right of sale of hypothecated Acquired assets in case there is default in repayment of Secured Obligations, due and payable by the Borrower.
- (iii) The Borrower shall, for every disbursement, issue a formal application to the Lender requesting the disbursement at least 15 (fifteen days) prior to the date of disbursement as mentioned under the disbursement schedule.
- (iv) The Borrower hereby agrees and undertakes to achieve the milestones as per Annexure 1 to this Schedule I.

## SCHEDULE II

### GENERAL TERMS OF THE ASSISTANCE

**1. Details of the Assistance:**

Assistance:

Period of Assistance:

**2. Disbursement Schedule:**

The Assistance shall be released to the Borrower in \_\_\_ disbursement in the manner as prescribed under the Disbursement Schedule annexed herewith as Annexure I to Schedule II.

All disbursements shall be deposited into the Borrower's Bank account of which the details are as follows:

Account Name:

Account Number:

Bank Name:

Branch:

IFSC code:

**3. Repayment Schedule:**

The total amount of financial assistance will be repayable over a period of \_\_\_ years including the moratorium of \_\_\_ years on the principal amount, starting from the date of first disbursement. **There shall be no moratorium on the interest payable.** The date of disbursement shall be the date on which the cheque of first disbursement is handed over to the Borrower. The Repayment Schedule is attached as Annexure II to Schedule II outlined hereunder.

**4. Interest:**

(i) **Interest on the Assistance:** The interest rate on disbursement shall be at simple interest rate of \_\_\_\_% which shall be payable in accordance with the Repayment Schedule and shall accrue immediately upon disbursement of first installment to the Borrower (plus applicable taxes, if any) ("**Applicable Interest Rate**"). There shall be no moratorium for the interest payable.

(ii) **Default Interest**

Without prejudice to any of Lender's rights and privileges, the Borrower shall be liable to pay on demand compensation for late payment at the rate of 2 % p.a. over and above the Applicable Interest Rate on any unpaid liability or part thereof which remains unpaid on and after the respective Due Date(s).

(iii) **Interest Payment Dates**

As per Repayment Schedule attached as Annexure II herewith.

**5. Utilization Schedule**

Utilization Schedule enclosed herewith as Annexure III to Schedule II.

**6. Legal, professional and other out-of-pocket expenses**

Each Party shall bear their own expenses pertaining to the Agreement

**7. Payment Day**

The Borrower undertakes to pay the Repayment Instalment as per the Repayment Schedule provided hereinabove.

**SCHEDULE III**

**FACILITY AGREEMENTS**

1. Deed of Hypothecation
2. Irrevocable Power of Attorney
3. Corporate/ Personal Guarantee
4. Non-Disposal Undertaking
5. Any other agreement as may be required for the purpose of implementing the Project

The Borrower undertakes to execute the aforesaid agreements as and when directed/advised by the Lender.

**SCHEDULE IV**

**COPY OF PROJECT PROPOSAL/ PROJECT PURPOSE/PROJECT DESCRIPTION, OUTCOME OF THE PROJECT AND PROJECT COST:**