

## **AGREEMENT**

This Agreement is executed on this the \_\_\_\_\_ day of \_\_\_\_\_ 2006 at \_\_\_\_\_ by and between:

**M/S** \_\_\_\_\_, a Private/Public Limited Company established, incorporated and registered under the Companies Act of 1956, and having its registered office at \_\_\_\_\_ through Mr. \_\_\_\_\_ son of Mr. \_\_\_\_\_ resident of \_\_\_\_\_, the Managing Director of the said Company, who has been empowered and authorised to execute this Agreement for and on behalf of the Company, and create charge upon the assets of the Company, pursuant to the Board Resolution passed by the Board of the Directors of the Company in this behalf in its meeting held on \_\_\_\_\_, the copy whereof is being annexed herewith, and herein-after to be called “ the First Party ” ( Which expression shall always include its successors, executors, administrators, representatives, and the assigns where-ever the context or meaning shall so require or permit ) of the One part; AND

**The J&K State through the Directorate of Industries and Commerce Department, Srinagar through its General Manager,** and hereinafter to be called “ the Second Party ” (which expression shall always include his successors, executors, administrators, representatives and assigns where-ever the context or meaning shall so required or permit ) of the Other Part.

Whereas the above named First Party is engaged in carrying on the business of manufacturing of \_\_\_\_\_ at \_\_\_\_\_, under the name and style of M/S \_\_\_\_\_. The said unit of the First Party is duly registered with the Directorate of Industries and Commerce Department for the sake of the Incentives under the Registration No: \_\_\_\_\_.

Whereas the First Party approached the Government/ Directorate of Industries & Commerce Department (Second Party) for grant of the Central Insurance Subsidy in favour of First Party under Central Comprehensive Insurance Scheme, 2002, to which the First Party has become entitled to claim and receive and details whereof are given in schedule forming annexure ‘A’ to this agreement.

Whereas the Second Party vide its Order No: \_\_\_\_\_ dated \_\_\_\_\_ (the copy whereof is enclosed herewith as Annexure-B) sanctioned an amount of Rs. \_\_\_\_\_ (Rupees \_\_\_\_\_ only ) as the Central Insurance Subsidy under the Central Comprehensive Insurance Scheme, 2002, in favour of the above named First Party which

shall be disbursed in favour of the First Party through J&K Development Finance Corporation Limited, Srinagar/Jammu, hereinafter to be referred to as “ the J&K DFC ”, subject to the terms, covenants and the conditions governing the said incentive under the Central Comprehensive Insurance Scheme, 2002.

Whereas the First Party has consented and agreed to receive the said incentive amount in the form of Central Insurance Subsidy on the terms and conditions as stipulated in this behalf under Central Comprehensive Insurance Scheme, 2002, and as such, to evidence the said fact the parties are executing this agreement inter-se which witnesses as under:

1. That if the Government/Second Party at any time hereinafter is satisfied that the subsidy granted to the First Party has been claimed and obtained by it by mis-representation as to any essential fact and/or by concealing the facts and/or by furnishing any false information or if the concerned industrial unit goes out of production within 5 years after having availed the subsidy or if it subsequently comes to the notice that the unit was not qualifying and/or entitled to claim and receive the subsidy under reference, the First Party shall be bound and obliged to refund the above mentioned amount of the subsidy to the Second Party together with the interest at the prevalent bank rates along-with all the costs, expenses, charges etc. without any demur.

2 That the First Party after receiving the part or whole of the subsidy amount granted in its favour as mentioned herein shall not change the location of the whole or any part of his said industrial unit or effect any substantial part of construction or dispose off any substantial part of its total fixed capital investment or effect any change in Constitution of the Company within the period of five Years of receiving a part or the whole of the grant or subsidy under the scheme without prior written request made by him in this behalf and approved by the Second Party above named.

3. In consideration of the above premises the First Party binds himself and undertakes and agrees to keep the Second Party safe and indemnified against all the losses, claims, damages, proceedings, costs, charges and the expenses which may be sustained, suffered or incurred, directly or indirectly, as a consequence of paying the subsidy amount under reference to the First Party and the First Party shall pay to the Second Party on demand the said amount of the subsidy released or disbursed/ to be released or disbursed to him along-with the interest thereon and also all losses, damages, claims, costs and charges, whatsoever, without any demur.

4. That after receiving the grant of subsidy under reference the First Party shall be bound to submit annual progress report to the Second Party about its working for a period of 5 Years after going into production.

5. That the First Party shall be bound and required to furnish any other document/information in connection with availing of the subsidy under reference as and when shall be asked by the Second Party/J&K DFC to furnish to him.

6. That the amount of the subsidy under reference of these presents shall be refunded by the First Party to the Second Party at any time along-with the interest thereon as and when demanded by the Second Party from him on account of breach of any of the terms, conditions or covenants of this agreement or if the same is not reimbursed by the Government of India.

7. That the First Party do hereby agree and bind itself that this agreement shall remain in full force and effect and binding and fully enforceable against the First Party and shall be by way of a charge upon its all assets and the First Party do hereby further agree and undertake that the First Party shall be liable to indemnify Second Party for all demands, damages, costs, losses etc. which the Second Party may incur and sustain; and the said amount shall become payable and/or recoverable from the First Party within the statutory period of limitation prescribed under the relevant statute but, however, the time for the same shall be reckoned from the date of the acquisition of the knowledge by the Second Party about the disentitlement/ disqualification of the First Party to claim and receive the subsidy amount on any account as provided herein-above and/or from the date the subsidy amount is refused to be reimbursed by the Government of India to the Second Party.

8. That the subsidy under reference as granted to the First Party by the Second Party shall always be governed by the terms and conditions as laid down in the Central Comprehensive Insurance Scheme, 2002.

9. That if any doubt, dispute, question or difference shall at anytime hereinafter arises, concerning the construction, effect or meaning of these presents or any matter herein contained or other respective rights and the liabilities hereunder, every such doubt, dispute, question, difference shall be referred for Arbitration to Dir. I&C Deptt., J&K under the J&K Arbitration and Conciliation Act, 1996. The decision of the said Arbitrator thereon shall be conclusive, final and binding on the parties.

10. That It is further agreed, consented and declared in unequivocal terms by the First Party that all the legal proceedings arising in connection with the Subsidy under reference and in relation to the present agreement will be always subject to the Jurisdiction of the local Courts/ High Court of the State Jammu and Kashmir alone.

IN WITNESS WHEREOF M/S \_\_\_\_\_ has set and subscribed its hands to this Agreement through its authorised Signatory, Managing Director of the Company namely Mr. \_\_\_\_\_ son of Mr. \_\_\_\_\_ resident of \_\_\_\_\_, for and on behalf the First Party, pursuant to the Board Resolution dated \_\_\_\_\_, in acceptance of its contents and the execution thereof out of his free will, consent and volition without any sort of force, coercion, pressure or any sort of un-due influence or mis-representation in favour of the above named Second Party who has put his signatures also after accepting its contents and execution thereof on the date and place herein-above written.

EXECUTANTS

|  |  |
|--|--|
| <p>1 _____</p> <p style="padding-left: 40px;">( Mr. _____ )</p> <p style="padding-left: 40px;">Managing Director</p> <p>M/S _____</p> <p style="padding-left: 40px;">For &amp; on behalf of:</p> <p>M/S _____</p> <p style="text-align: center;">( FIRST PARTY )</p> | <p>2. _____</p> <p style="padding-left: 40px;">( Mr. _____ )</p> <p style="padding-left: 40px;">Gen. Manager DIC, _____</p> <p style="padding-left: 40px;">Industries &amp; Commerce Deptt.</p> <p style="padding-left: 40px;">For &amp; on behalf of:</p> <p style="padding-left: 40px;">Governor of J&amp;K State.</p> <p style="text-align: center;">( SECOND PARTY )</p> |
|--|--|

WITNESSES:

|   |   |
|---|---|
| <p>Sig: _____</p> <p>Name: _____</p> <p>S/O : _____</p> <p>R/O : _____</p> <p>_____</p> | <p>Sig: _____</p> <p>Name: _____</p> <p>S/O : _____</p> <p>R/O : _____</p> <p>_____</p> |
|---|---|

The Common Seal of the Company has been affixed to this Agreement by Mr \_\_\_\_\_ son of \_\_\_\_\_ resident of \_\_\_\_\_, the Managing Director of the Company, for and on its behalf, in presence of Mr. \_\_\_\_\_ son of \_\_\_\_\_ resident of \_\_\_\_\_, the other Director of the said Company, pursuant to Board Resolution dated \_\_\_\_\_ in presence of below named witnesses.

COMMON SEAL  
OF THE COMPANY

SIGNED BY THE ABOVE NAMED:

\_\_\_\_\_  
( Mr. \_\_\_\_\_ )  
Managing Director of the  
Company

\_\_\_\_\_  
( Mr. \_\_\_\_\_ )  
Director of the  
Company

WITNESSES:

Sig: \_\_\_\_\_  
Name: \_\_\_\_\_  
S/O : \_\_\_\_\_  
R/O : \_\_\_\_\_  
\_\_\_\_\_

Sig: \_\_\_\_\_  
Name: \_\_\_\_\_  
S/O : \_\_\_\_\_  
R/O : \_\_\_\_\_  
\_\_\_\_\_

Signed, sealed and Delivered by the within named M/S \_\_\_\_\_  
through Mr. \_\_\_\_\_ son of \_\_\_\_\_ resident  
of \_\_\_\_\_, the Managing Director of the Company,  
for and on its behalf, pursuant to Board Resolution passed by the Board of  
Directors of the Company in that behalf in its meeting held on \_\_\_\_\_  
in presence of :

Witnesses:

Sig: \_\_\_\_\_  
Name: \_\_\_\_\_  
S/O : \_\_\_\_\_  
R/O : \_\_\_\_\_

\_\_\_\_\_  
( Mr. \_\_\_\_\_ )  
Managing Director  
For and on behalf of:  
M/S \_\_\_\_\_  
Pursuant to Board Resolution,  
Dated \_\_\_\_\_

Sig: \_\_\_\_\_  
Name: \_\_\_\_\_  
S/O : \_\_\_\_\_  
R/O: \_\_\_\_\_

( FIRST PARTY )

**ANNEXURE 'B'**

**SCHEDULE TO THIS AGREEMENT AS MENTIONED ABOVE**

( Full Details and Description of the Insurance Subsidy/ Incentives  
Sanctioned for disbursement to the Company viz. M/S\_\_\_\_\_ )

**INDEMNITY BOND**

BY THE PRESENT INDEMNITY BOND executed on this the \_\_\_\_\_ day of \_\_\_\_\_ 2006 at \_\_\_\_\_ by:

**M/S** \_\_\_\_\_, a Private/Public Limited Company established, incorporated and registered under the Companies Act of 1956, and having its registered office at \_\_\_\_\_ through Mr. \_\_\_\_\_ son of Mr. \_\_\_\_\_ resident of \_\_\_\_\_, Managing Director of the said Company, who has been empowered and authorised to execute this Indemnity Bond for and on behalf of the Company and create charge upon the assets of the Company pursuant to the Board Resolution passed by the Board of the Directors of the Company in this behalf in its meeting held on \_\_\_\_\_, the copy whereof is being annexed herewith, and herein-after to be called " the Obligor-Company " ( Which expression shall always include its successors, executors, administrators, representatives, and the assigns where-ever the context or meaning shall so require or permit ) of the One part;                    IN FAVOUR OF:

**The J&K State through the Directorate of Industries and Commerce Department, Srinagar through its General Manager,** and hereinafter to be called " the Obligee-Department " ( which expression shall include his successors, executors, administrators, representatives and assigns where-ever the context or the meaning shall so required or permit ) of the Other Part.

Whereas the Obligor-Company is engaged in carrying on the business of manufacturing of \_\_\_\_\_ at \_\_\_\_\_, under the name and style of M/S \_\_\_\_\_. The said unit of the Obligor-Company is duly registered with the Directorate of the Industries and Commerce Department for the sake of the Incentives under the Registration No: \_\_\_\_\_.

Whereas the Obligor-Company approached Government/Directorate of Industries and Commerce Department (Obligee-Department) for grant of the Central Insurance Subsidy in favour of the Obligor-Company under the Central Comprehensive Insurance Scheme,2002 to which Obligor-Company has become entitled to claim and receive..

Whereas the Obligee-Department vide its Order No: \_\_\_\_\_ dated \_\_\_\_\_ (the copy whereof is enclosed herewith as Annexure-A) sanctioned an amount of Rs. \_\_\_\_\_ (Rupees \_\_\_\_\_ only ) as the Central Insurance Subsidy under the Central Comprehensive

Insurance Scheme, 2002, in favour of the above named Obligor-Company which shall be disbursed in favour of the Obligor-Company through J&K Development Finance Corporation Limited, Srinagar/Jammu, hereinafter to be referred to as “ the J&K DFC ” subject to furnishing of an Indemnity Bond to the intent and purpose and subject to the terms, covenants and the conditions governing the said incentive as stipulated in this behalf under the Central Comprehensive Insurance Scheme, 2002. With the above said objective the obligor Company indemnifies the State Govt./ Obligee Deptt. as under :-

1. That if the Government/Obligee-Department at any time hereinafter is satisfied that the subsidy granted to the Obligor-Company has been claimed and obtained by it by mis-representation as to any essential fact and/or by concealing the facts and/or by furnishing false information or if the concerned industrial unit goes out of production within 5 years after having availed the subsidy or if it subsequently comes to the notice that the unit was not qualifying and/or entitled to claim and receive the subsidy under reference, the Obligor-Company shall be bound and obliged to refund the above mentioned amount of the subsidy to the Obligee-Department together with the interest at the prevalent bank rates along-with all the costs, expenses, charges etc. without any demur.

2. In consideration of the above premises the Obligor-Company binds itself and undertakes and agrees to keep the Obligee-Department safe and indemnified against all losses, claims, damages, costs, charges and the expenses which may be sustained, suffered or incurred, directly or indirectly, as the consequence of paying the subsidy amount under reference to the Obligor-Company and the Obligor-Company shall pay to the Obligee-Department on demand the said amount of the subsidy released or disbursed / to be released or disbursed and all other losses, damages, claims, costs and charges, what-so-ever, to the Obligee-Department as incurred by it, without any demur.

3. That the Obligor-Company do hereby agree and bind itself that this bond shall remain in full force and effect and binding and enforceable against it till its realisation and satisfaction and shall be by way of a charge upon its all assets and Obligor-Company do hereby agree and undertake that the Obligor-Company shall be liable to indemnify Obligee-Department for all demands, damages, costs, losses etc. which the Obligee-Department may incur and the said amount shall become payable and/or recoverable from the Obligor-Company within statutory period of limitation prescribed under the relevant statute but, however, the time for the same shall be reckoned from the date of the acquisition of the knowledge by the Obligee-Department about disentitlement/disqualification of the Obligor-Company



to claim and receive the subsidy amount under reference on any account as provided herein-above.

4. That it is hereby agreed and consented by the Obligor-Company that this Indemnity Bond shall be enforceable against it in case of breach or infringement of any of the terms, covenants and conditions as laid down under the Central Comprehensive Insurance Scheme, 2002.

5. That the Obligor-Company further agrees, consents and declares in unequivocal terms that all the legal proceedings for enforcing or in relation to the present Indemnity Bond shall be always subject to the Jurisdiction of the local Courts/ High Court of the State Jammu and Kashmir alone.

IN WITNESS WHEREOF M/S \_\_\_\_\_ has set and subscribed its hands to this Indemnity Bond through its authorised Signatory, the Managing Director of the Obligor-Company namely Mr. \_\_\_\_\_ son of \_\_\_\_\_ resident of \_\_\_\_\_, for and on behalf the Obligor-Company, pursuant to the Board Resolution dated \_\_\_\_\_ in acceptance of its contents and the execution thereof out of his free will, consent and volition and without any sort of force, coercion or un-due influence or any sort of mis-representation on the date and place herein-above written.

EXECUTANT

\_\_\_\_\_  
( Mr. \_\_\_\_\_ )  
For & on behalf of  
M/S \_\_\_\_\_  
( OBLIGOR-COMPANY )

WITNESSES:

Sig: \_\_\_\_\_  
Name: \_\_\_\_\_

Sig: \_\_\_\_\_  
Name: \_\_\_\_\_

S/O : \_\_\_\_\_

S/O : \_\_\_\_\_

R/O : \_\_\_\_\_

R/O : \_\_\_\_\_

The Common Seal of the Company has been affixed to this Indemnity Bond by Mr. \_\_\_\_\_ son of \_\_\_\_\_ resident of \_\_\_\_\_, the Managing Director of the Obligor-Company, for and on its behalf, in presence of Mr. \_\_\_\_\_ son of \_\_\_\_\_ resident of \_\_\_\_\_,

the other Director of the Obligor-Company, pursuant to Board Resolution dated \_\_\_\_\_ in presence of below named witnesses.

COMMON SEAL  
OF THE COMPANY  
SIGNED BY THE ABOVE NAMED:

\_\_\_\_\_  
( Mr. \_\_\_\_\_ )  
Managing Director of the  
Company

\_\_\_\_\_  
( Mr. \_\_\_\_\_ )  
Director of the  
Company

WITNESSES:

Sig: \_\_\_\_\_  
Name: \_\_\_\_\_  
S/O : \_\_\_\_\_  
R/O : \_\_\_\_\_  
\_\_\_\_\_

Sig: \_\_\_\_\_  
Name: \_\_\_\_\_  
S/O : \_\_\_\_\_  
R/O : \_\_\_\_\_  
\_\_\_\_\_

Signed, sealed and Delivered by the within named M/S \_\_\_\_\_ through Mr. \_\_\_\_\_ son of \_\_\_\_\_ resident of \_\_\_\_\_, the Managing Director of the Obligor-Company, for and on its behalf, pursuant to Board Resolution passed by the Board of Directors of the Obligor-Company in that behalf in its meeting held on \_\_\_\_\_ in presence of :

Witnesses:

Sig: \_\_\_\_\_  
Name: \_\_\_\_\_  
S/O : \_\_\_\_\_  
R/O : \_\_\_\_\_

\_\_\_\_\_  
( Sh. \_\_\_\_\_ )  
Managing Director  
For and on behalf of:  
M/S \_\_\_\_\_  
Pursuant to Board Resolution,  
Dated \_\_\_\_\_

Sig: \_\_\_\_\_  
Name: \_\_\_\_\_  
S/O : \_\_\_\_\_  
R/O: \_\_\_\_\_

( OBLIGOR-COMPANY )

**Copy of the extracts of the Board Meeting held by Board of Directors of M/S \_\_\_\_\_ at its registered office at \_\_\_\_\_**

**On** \_\_\_\_\_.

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“ The original Letter of the Director J&K Directorate of Industries and Commerce Department, \_\_\_\_\_ bearing No: \_\_\_\_\_ dated \_\_\_\_\_ regarding the sanction of the Central Insurance Subsidy under the Central Comprehensive Insurance Scheme, 2002 in favour of the Company to the tune of Rs. \_\_\_\_\_ Lakhs, was placed before the Board of Directors of the Company to-day. It was approved and resolved that the Company will avail the said subsidy amount from the J&K Directorate of Industries and Commerce Department through the J&K Development Finance Corporation Limited, Jammu/Srinagar on the terms and the conditions as have been conveyed in the Sanction Letter supra and also on such other terms and conditions as shall be laid down in the legal deeds to be executed by the Company while securing the said subsidy amount. It was further resolved that the Directorate of the Industries and Commerce Department be conveyed the necessary consent in this regard.

The Board further resolved that Mr. \_\_\_\_\_, the Managing Director of the Company, be and is hereby authorised to execute the necessary documents viz. Agreement and Indemnity Bond and such other deeds/documents favouring the Directorate of Industries and Commerce Department, for and on behalf of the Company, as are required to be executed with it for securing the said subsidy amount and create charge upon all the assets of the Company. It was further resolved that Mr. \_\_\_\_\_, the Managing Director, be and is hereby authorised to affix the Common seal of the Company on the said documents in presence of Mr. \_\_\_\_\_, the other Director of the Company.

True-Copy Attested.