

Agreement

This Agreement made and entered into this ..... day of ..... 2017 between the Bihar State Khadi and Village Industries Board, through its Chief Executive Officer established under the Bihar Act XIV of 1956, hereinafter called the "Lender" (which expression shall, unless repugnant to the subject or context, include its successors, assignee and representatives of all sort) of the one part and .....hereinafter called the "Borrower" (which expression shall, unless repugnant to the subject or context, include its heirs, successors and assignee) of the other part.

Whereas the Lender has on the application made by the Borrower sanctioned the loan under the

Khadi Punarudhhar Yojana to the Borrower as shown below :-

Working Capital Rs..... Only.

And whereas the Lender has advanced the loan amount mentioned above with the following terms and conditions to which the Borrower shall be abide with :

1. The Borrower agreed to repay the above loan amount of Rs. .... with interest within a period of 3 years in equal monthly installments.
2. commencing three months after the date of disbursement of loan amount i.e. w.e.f. dated ..... The amount of equal monthly installment shall be worked out & communicated separately by the Board. The Lender (1<sup>st</sup> party) shall charge interest on loan @ 4% per annum and as such the Borrower herewith agreed to repay the above loan amount (principal with interest) as per the installments communicated by the Board.
3. The Borrower agreed herewith that Lender shall charge interest on the loan amount mentioned in the Clause I above at the rate of interest specified therein, but in case of default, the Lender may charge penal interest on the amount defaulted at the rate

not exceeding 10% per annum from the date of default till the date of realization.

4. The loan amount shall be released by way of entrustment and shall exclusively be used by the Borrower for the purpose for which it is sanctioned and released. Further Borrower also agreed herewith that he will neither misuse nor divert the loan amount for the purpose other than mentioned in Khadi Punrudhhar Yojana and if it comes in the knowledge of the Lender then the entire loan amount either sanctioned or released shall be recovered by due process of law from the Borrower. Even if a portion of loan amount thereof is utilized for a purpose other than the purpose specified, it shall be open to the Lender to call back the entire loan with penal interest @ 10 per annum.
5. The Borrower has to maintain the working capital loan provided to it as a revolving fund.
6. The Borrower shall use the loan amount sanctioned against the working capital to produce only those Khadi products for which designs have been developed by National Institute of Fashion Technology (NIFT) and/or other National level institute or Graduate/Post Graduate candidates who passed

out from these institutes or an individual appointed by the Lender for the development of designs in Khadi cloths.

7. The Borrower shall have to implement the Enterprise Resource Planning System (ERPS) developed and approved by the Lender (the Khadi Board).
8. The Lender shall fix the target of production according to the loan amount sanctioned against the working capital and advanced to the Borrower. The Borrower agreed to achieve the production target fixed by the Money Lender/Board. In case of failure of achievement of target by the Borrower, the Lender shall be at liberty to realize the entire disbursed amount with penal interest @ 10%.
9. The Borrower shall utilize the entire loan amount within a period of three months from the date of its disbursement. The loan amount found remaining unutilized by the Borrower at the end of the specified period, must be returned to the Lender.
10. The Borrower shall submit a monthly progress report on production, sale and other information to the Lender in the forms prescribed by the Lender/Board.

11. That Borrower shall permit any officer deputed by the Lender/Board to inspect the workshop, shop etc. of the Borrower.
12. That if the Lender is prima facie found and get satisfied that the Borrower has deliberately, misapplied or misutilized or diverted the loan amount and not using it for the purpose for which the amount was disbursed to him then it shall be open to the Lender/Board to treat such misapplication or misutilization of loan amount as a criminal breach of trust and the Lender/Board shall be at liberty to take a legal action against the Borrower as he may deem fit for realization of loan amount and penalizing the Borrower for his malafide intention.
13. The provisions of Bihar and Orissa Public Demands Recovery Act, 1914 shall also apply for the realization of the dues of the Lender as provided in the Section 32 of Bihar Khadi & Village Industry Act, 1956 (Bihar Act XIV of 1956).
14. That besides above, the Borrower/the person signing the agreement for taking loan shall be liable to liquidate the loan amount and in case of failure of payment of the equal monthly installments, the Lender shall

be at liberty to realize the loan amount from the personal property of that person by way of auction.

15. That on failure of the Borrower to pay the installment amount, the Lender can sue the Borrower or proceed for realization of the defaulted or entire loan amount as per its convenience. The period for calculation of amount due for recovery in such case will start from the date on which the installment was due for payment.

16. That in case of default in payment of the EMI of the loan amount, the Borrower shall be black listed by the Lender either for 10 years or till realization of the loan amount and he shall be debarred by the Board from availing all the benefits given by the Board and in future the Borrower shall not be entitled to get any scheme or any loan amount in future.

17. That on matters not specifically stipulated in the agreement or provided for in the relevant rules and regulations of the Board or in case any dispute, doubt or question arises between the Lender and the Lender/Board, then in such event every such case shall be referred for arbitration to the Chief Executive Officer of the Board

acting as such at that time and his decision in this regard shall be final and binding on both the parties and shall not be liable to be questioned in any Court of Law.

18. That any dispute arising out of the agreement will be subjected to Judicature of the appropriate Court at Patna.

In witness thereof the parties hereto have set their hands in token of acceptance thereof

Signature with Seal	Signature with Seal
Borrower (Name and Address)	Name and Address For and on behalf of the Bihar Khadi & Village Industries Board, Patna-4

Witness No. 1	Witness No. 2
Name and Address	Name and Address

Date :-

Place :-