

Specimen Format of Deed of Agreement and Letter of Guarantee to be executed by Beneficiary Enterprises for various Subsidy Schemes.

To be executed on Stamp Paper value of Rs.30/-

DEED OF AGREEMENT

THIS DEED OF AGREEMENT MADE AT _____ on this day of _____ between M/s _____ at (Factory address) represented by Thiru / Tmt. _____, S/o / W/o. _____ hereinafter called BENEFICIARY which term, shall include wherever the context so admits, their successors and assigns of the ONE PART and THE GOVERNMENT OF TAMIL NADU represented by the General Manger, District Industries Centre _____ /Regional Joint Director of Industries and Commerce, Chennai - 32/ Regional Manger, TIIC hereinafter called the GOVERNMENT which expression shall include wherever the context so admits the successors in interest and their assignees.

WHEREAS the Government of Tamil Nadu have formulated the _____ Subsidy scheme for Micro, Small and Medium Enterprises to be set up in Tamil Nadu.

AND whereas the Government of Tamil Nadu in their G.O.Ms.No. _____ Micro, Small and Medium Enterprises Department dt. _____ have entrusted the implementation of the scheme to the Department of Industries and Commerce /TIIC of Tamil Nadu.

AND WHEREAS the BENEFICIARY is one of those who had applied to the Government for the grant of the subsidy under the _____ Subsidy Scheme during _____ in respect of the Micro/Small/Medium Manufacturing Enterprise, (as defined in the said scheme) established by them for the activity of _____ only at (Factory address)

AND WHEREAS the Government considered the application of Beneficiary and decided to sanction a sum, not exceeding Rs. _____ - (Rupees _____ only) as subsidy under the above said scheme in the terms and conditions contained hereunder:

AND WHEREAS the above said Industrial Unit of the beneficiary to be set up with assistance from Bank /TIIC/ with own capital from private resources.

AND WHEREAS it has been agreed between the parties herein that the subsidy sanctioned has to be disbursed to the beneficiary after the unit goes into production.

NOW THIS DEED WITNESSETH AS FOLLOWS :

The Government hereby agreed to grant to the BENEFICIARY an amount not exceeding Rs. _____/- (Rupees _____ only) as _____ subsidy as per the following procedure.

1. The subsidy shall be disbursed only after the verification of the fixed capital investment as defined in the above said scheme of the said industrial unit of the BENEFICIARY and shall be restricted to ___% of investment on the Plant and Machinery actually made.

2. The subsidy shall be disbursed in as many instalment as the financial assistance sanctioned is released to the BENEFICIARY under the said scheme after the unit goes into production and proof of the same is produced by the BENEFICIARY to the Government of Tamil Nadu.

The BENEFICIARY in turn hereby agrees to abide by the following terms and conditions:

(i) The BENEFICIARY shall utilize the said subsidy for the Industrial Unit in accordance with the scheme and shall also furnish to the Government, a certificate of utilization of the subsidy within a period of one month from the date of receipt of the last installment or full amount .

(ii) The BENEFICIARY shall submit annual progress report to the Government about the working of the Industrial Unit for a period of five years from the date on which the Industrial unit goes into production in such manner as they may be prescribed by the Government of Tamil Nadu.

(iii) The BENEFICIARY shall furnish all the information and assistance as may be required by the Government or by any of its officers or representatives in relation to the business of the Industrial Unit or its accounting and shall for that purpose after all facilities to the Government or such officers or representatives for the inspection of both accounts and other documents of the industrial unit at all reasonable times up to the end of 5th year from the date on which the Industrial Unit goes into production.

(iv) The BENEFICIARY after receiving a part or whole of the subsidy shall not without obtaining the prior written permission of the Government, change the location of the whole or any part of the Industrial Unit or effect substantial construction or dispose all or a substantial part of its total fixed capital investment within a period of five years from the date on which the Industrial unit goes into production.

(v) That the BENEFICIARY hereby assures to the Government that the above said Industrial Undertaking, for which subsidy has been applied is for the new unit/expansion of the existing unit.

(vi) The BENEFCIARY shall refund subsidy together with the interest at the rate fixed by Government and other charges if any to the Government, if it is found that the BENEFCIARY has violated any of the terms and conditions mentioned herein or that the subsidy has been obtained by fraud or by false information or the Industrial Unit goes out of production within 5 years from the date of commencement of the production. The BENEFCIARY solemnly assures and undertakes to refund the subsidy with interest as mentioned above.

(viii) The BENEFCIARY should get clearance from all regulatory authorities in connection with the setting up of the Enterprise before disbursement of any or part of subsidy.

IN WITNESS whereof the parties hence signed this agreement on the date of respectively mentioned against their signature.

WITNESS :

1.

2.

BENEFCIARY

PROPRIETOR/PATRNER/MG. DIRECTOR

WITNESS :

1.

2.

SIGNED AND EXECUTED FOR
AND ON BEHALF OF THE
GOVT. OF TAMIL NADU.